Par. 8.2.1.1.52
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Thursday,
7th May, 1953

PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

PARLIAMENT SECRETARIAT
NEW DELHI

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THE
PARLIAMENTARY DEBATES
(Part I—Questions and Answers)
OFFICIAL REPORT

HOUSE OF THE PEOPLE

Thursday, 7th May, 1953.

The House met at a Quarter Past Eight of the Clock

[MR. DEPUTY-SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

DISPLACED PERSONS FROM EAST PAKISTAN SENT TO ORISSA

*1912. **Shri S. C. Samanta:** Will the Minister of **Rehabilitation** be pleased to state:

(a) the number of displaced persons from East Pakistan sent to the State of Orissa since 1st January, 1952;

(b) whether any number has been absorbed in the Hirakud Project works;

(c) if so, how many;

(d) whether any new colony for their resettlement has been started in 1952; and

(e) the number of displaced persons who have come back from the State of Orissa during the period?

The Deputy Minister of Rehabilitation (Shri J. K. Bhonsle): (a) 5,346.

(b) No.

(c) Does not arise.

(d) Yes. One new colony has been started near the existing colony of Bhusandpur in Puri District.

(e) 1,772.

Shri S. C. Samanta: Is it not a fact Sir, that the Report on Rehabilitation supplied to us says that 158 persons have been taken in employment there?

Shri J. K. Bhonsle: I should want notice of that, Sir.

Shri S. C. Samanta: May I know how many of the persons sent to Orissa in 1952 came from the peasant class?

Shri J. K. Bhonsle: 3,773.

Shri S. C. Samanta: May I know, Sir, whether the fact-finding Committee will also survey the conditions of these displaced persons in Orissa?

Shri J. K. Bhonsle: I want notice of this question, Sir.

Shri S. C. Samanta: May I know, Sir, whether any number of these displaced persons who came back from Orissa were returned to Orissa again?

Shri J. K. Bhonsle: Yes, Sir; two batches, one of families and the other of 30 displaced persons.

Shri T. K. Chaudhuri: May I know, Sir, how long the Government is going to allow the displaced persons from Orissa to stay in the Howrah station?

CENTRAL LIBRARY, DELHI

*1914. **Shri M. L. Dwivedi:** (a) Will the Minister of **Education** be pleased to state at what stage are the proposals to build a Central Library at Delhi?

(b) Has any plan been prepared?

(c) If so, has the plan been approved by the Government?

(d) What is the total estimate of the plan and the cost of building the Library?

(e) How many books could be housed in the Library after the completion?

(f) Is the Library to be built in parts or all at a time?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) The Ministry is at present considering the question of the inclusion of the scheme of the National Central Library in the First Five Year Plan.

(b) A tentative scheme has been prepared for the purpose but it has not yet been considered by the Government.

(c) to (f). Do not arise.

श्री एम० एल० द्विवेदी : क्या मैं यह पूछ सकता हूं कि इस सम्बन्ध में कोई नक्शा या प्लान सेंट्रल लाइब्रेरी के बनाने के लिये तैयार किया गया है और अगर हां तो उस पर कब तक विचार हो जायगा ?

Shri K. D. Malaviya: Sir, the Ministry did give its consideration to the scheme, although previously it had abandoned the scheme because of the cost. Now, the Planning Commission is seized of the matter, they are giving their consideration to the scheme. At present, the Ministry is examining certain implications of the scheme, particularly with reference to its relation to the National Library, Calcutta, the India Office Library and Copyright.

श्री एम० एल० द्विवेदी : क्या मैं जान सकता हूं कि यह जो योजना अब तैयार की गई है इस पर कितनी धनराशि व्यय की जायगी और जो योजना पहले तैयार की गयी थी उस पर व्यय होने वाली रकम में और इस योजना की रकम में कितना अन्तर होगा ?

श्री के० डी० मालवीय : अभी तो इस सम्बन्ध में कोई निश्चय हुआ नहीं है। मैंने माननीय सदस्य को बतलाया था कि इस पर फिर से विचार किया जा रहा है; इस पर प्लानिंग कमीशन फिर विचार कर रहा है। पहले जब इस स्कीम पर कमेटी द्वारा विचार हुआ था तब तख़मीना लगाया गया था कि इस पर हर साल करीब ५० लाख रुपया नान रिकरिंग खर्च होगा और इस पर कुल १७६ लाख रुपये की नान रिकरिंग ग्रांट का तख़मीना किया गया था। यह रकम इतनी बड़ी थी कि मालूम हुआ कि यह हमारी ताक़त से बाहर है। इसलिये हमने इस स्कीम को छोड़ दिया।

Shri T. S. A. Chettiar: May I know, Sir, in view of the fact that it is to be a Central National Library, must it not contain books of all the Indian national languages?

Shri K. D. Malaviya: Yes, Sir; I said this point is also being examined.

श्री एम० एल० द्विवेदी : मैं यह जानना चाहता हूं कि क्या सेंट्रल लाइब्रेरी के लिये कोई स्थान पसन्द कर लिया गया है ? यदि हां, तो कहां पर ।

श्री के० डी० मालवीय : अभी तो इससे हम बहुत दूर हैं।

श्री एस० सी० सामन्त : क्या मैं यह जान सकता हूं कि इस लाइब्रेरी के लिये यूनेस्को से कोई मदद मिलती है या नहीं ?

श्री के० डी० मालवीय : मैंने कहा कि इस पर तो विचार हो रहा है। अभी तक इस सम्बन्ध में कोई भी निश्चय नहीं हुआ है। यह कहना तो बहुत ही दूर होगा कि यूनेस्को से कोई सहायता मिलेगी या नहीं क्योंकि अन्तिम रूप से कोई फैसला अभी हुआ ही नहीं है।

Prof. D. C. Sharma: Is the Government aware of the fact that several States are setting up libraries of this very kind and will there not be a duplication? How will it be possible to allocate certain books as books for State libraries and certain other books as books for the National Library?

Shri K. D. Malaviya: This question relates to the Central National Library. The State Libraries may be doing their own work.

MORTGAGED RURAL EVACUEE AREA

*1915. **Shri Madhao Reddi:** Will the Minister of **Rehabilitation** be pleased to state whether there is any mortgaged rural evacuee area in the Punjab and P.E.P.S.U., States respectively, which was owned by the Muslims who had migrated to Pakistan after partition during 1947-48 and which is still in the possession of non-Muslims and if so, what is its total area?

The Deputy Minister of Rehabilitation (Shri J. K. Bhonsle): Yes.

Punjab—78,440 standard acres.

PEPSU—30,762 standard acres.

Shri Madhao Reddi: May I know whether Government propose to redeem this land to satisfy the claims of the ruralists?

Shri J. K. Bhonsle: It is not possible to say about this, Sir, because the work has just been started and it would take some time before I can give the exact reply.

Shri Madhao Reddi: May I know whether this area has been included in the rural pool or the urban pool?

Shri J. K. Bhonsle: It is in the rural pool, Sir.

Shri Bahadur Singh: May I know whether this property will be put in the evacuee pool or will it be left with the holders?

Shri J. K. Bhonsle: It has not been decided yet. It will be decided when the scheme is completed.

Shri Bahadur Singh: At what rate will compensation be paid to the holders?

Shri J. K. Bhonsle: I cannot reply to that question at present, Sir.

POLICY SESSION OF THE COLOMBO PLAN COUNCIL

***1917. Sardar A. S. Saigal:** (a) Will the Minister of Finance be pleased to state whether it is a fact that the Policy Session of the Colombo Plan Council for Technical Aid for South and South-East Asia has found that about £1,300,000 has been spent out of £8 million total fund?

(b) When and where will the Consultative Committee meet?

The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhagat): (a) Yes; Sir.

(b) It is proposed to hold the next Consultative Committee meeting in New Delhi in September-October, 1953.

Sardar A. S. Saigal: May I know the agenda of the Committee?

Shri B. R. Bhagat: The agenda is to review the work of the Council and also to consider other important matters that may have a bearing on the Co-operative Development Programme.

Sardar A. S. Saigal: Who are participating in this Committee, Sir?

Shri B. R. Bhagat: The members of the Consultative Committee are participating and if the hon. Member wants to know the names, I can give them.

Sardar A. S. Saigal: I want the names.

Shri B. R. Bhagat: They are the member countries of Australia, Burma, Cambodia......

Mr. Deputy-Speaker: All the Colombo Plan countries. It is in the printed literature.

Shrimati Tarkeshwari Sinha: May I know whether the Government of Nepal had requested that the contribution that the Government of India is going to make under the Colombo Plan this year should be given to Nepal; and, if so, may I know what exactly will be the nature of the aid that will be given to them?

Shri B. R. Bhagat: India has already made some contribution, Sir, to Nepal and it is in the form of trainees. Two trainees from Nepal are already undergoing training.

Shri L. N. Mishra: May I know, Sir, why only £1 million and 30 lakhs out of £8 million has been spent although two years have passed?

Shri B. R. Bhagat: Sir, the Technical Co-operation Scheme came into operation from July 1950 and according to the Agreement it is to continue up to June 1957. It will thus be seen that within a period of two and half years an amount of over one million has been spent. The Committee on Technical Assistance is somehow gathering momentum now and equipment is being supplied under the scheme, it is not improbable that within the remaining four and half years the remaining sum will be spent.

Shri L. N. Mishra: May I know the amount contributed by India and the countries to which it has gone?

Shri B. R. Bhagat: India's contribution is £7,50,000 or equivalent to rupees one crore. It has already spent during the two years a little over four and half lakhs. The countries to which India has given assistance are Burma, four trainees; Ceylon, five experts and fifteen trainees; Indonesia two trainees; Federation of Malaya five trainees; Nepal two trainees; Pakistan fourteen trainees; Philippines eight trainees and Thailand six trainees.

Shri S. C. Samanta: May I know, Sir, whether the amount sanctioned to India according to the recommendations of the Consultative Committee meeting which was held at Bombay last has been given to us and we have spent it?

Shri B. R. Bhagat: There is no such specific sanction for any country. The practice is for the countries to contribute to the common development pool.

TRIPURA CIVIL SERVICE ASSOCIATION

*1918. **Shri Dasaratha Deb:** Will the Minister of **States** be pleased to state whether it is a fact that the Tripura Civil Service Association has applied for Registration under the Societies Registration **Act?**

The Minister of Home Affairs and States (Dr. Katju): There is no recognised body known as the Tripura Civil Service Association. In February last nine members of the former Tripura Civil Service applied for registration as a Society under the Societies Registration Act, 1860. The application is under consideration.

Shri Dasaratha Deb: May I know, Sir, whether after the re-organisation the basic pay of Tripura civil servants is below the basic pay of a police constable?

Dr. Katju: I require notice of that question.

TEMPLE AT TANJORE SURVEY

*1920. **Shri Muniswamy:** Will the Minister of **Education** be pleased to state:

(a) whether any archæological survey is being carried on in the great Temple **at Tanjore** in the Madras State; and

(b) whether anything new has been discovered recently by the said survey?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) and (b). Yes, Sir.

Shri Muniswamy: May I know, Sir, whether it is under the contemplation of Government to undertake any other archæological survey in the Madras State?

Shri K. D. Malaviya: I do not know about that. Near about this painting survey of works of historical and archæological importance will certainly be taken up.

Shri Muniswamy: May I know, Sir the details of the new discovery made in the recent **survey?**

Shri K. D. Malaviya: As a result of these paintings discovered round the sanctum of the temple belonging to the Chola period, a series of 108 panels of base-reliefs were found out indicating the dance poses of Shiva as Nataraja. The paintings as well as the sculpture panels throw a flood of light on Shaivism, Shiva Hymnology and Shiva Leela.

Shri Muniswamy: Is the survey still going on and if so how long will it continue?

Shri K. D. Malaviya: The survey has been going on since 1930.

Shri T. S. A. Chettiar: May I know, Sir, whether Government have any idea of publishing these paintings, so that they may be available to the public? They are very popular and very fine.

Shri K. D. Malaviya: Government will try to give publicity to these paintings.

Shri T. S. A. Chettiar: It is not giving publicity—I meant publishing these things.

Shri K. D. Malaviya: We will think about it.

Shri N. Somana: To which period have these paintings been traced?

Mr. Deputy-Speaker: To the Chola period.

DEFENCE MINISTRY LAND IN DEHRI-ON-SONE

*1923. **Shrimati Tarkeshwari Sinha:** Will the Minister of **Defence** be pleased to state:

(a) whether Government have decided to settle the land belonging to them in Dehri-On-Sone, with private individuals;

(b) if so, whether Government are aware of the fact that the land was used previously as a playground for local students, before it was taken over by the Ministry; and

(c) whether any representations have been made by the people of that area to hand over the land to the local municipality for converting it into a park or a playground?

The Deputy Minister of Defence (Sardar Majithia): (a) A proposal to this effect is under consideration.

(b) The land was acquired in 1856. There is no record to show the purpose for which this land was being used before acquisition.

(c) A representation has been received by the local Military Estates Officer to this effect.

Shrimati Tarkeshwari Sinha: May I know, Sir, if it is a fact that this is the only place in the town where social gatherings can be held and games can be played?

Sardar Majithia: I do not know whether this is the only place, but it is known that as the land was lying vacant young men of that place were playing games over there without paying any rent to anybody.

Shrimati Tarkeshwari Sinha: May I know if Government has received the names of some persons who want this land and whether Government is thinking of giving this land to those persons?

Sardar Majithia: As I said, Sir, this matter is under consideration and representation has been received by the Military Estates Officer which we are looking into.

AGE OF SUPERANNUATION

***1924. Shri S. C. Samanta:** Will the Minister of **Home Affairs** be pleased to refer to the reply given to starred question No. 1046 asked on the 27th March, 1953, regarding age of superannuation and state:

(a) whether any decision to raise the age of superannuation from 55 to 58 has since been taken;

(b) if so, what; and

(c) whether special considerations will be shown in cases of those who are physically and mentally sound and fit for work at 55, in case the age limit is not raised?

The Deputy Minister of Home Affairs (Shri Datar): (a) and (b). It has been decided that no change should be made in the existing rules relating to the age of compulsory retirement of Government servants.

(c) Extension of service beyond the age of 55 will continue to be given, as and when necessary if the public interest so requires, to those who continue to be fit and efficient, more especially in the case of scientific and technical personnel.

Shri S. C. Samanta: May I know, Sir, whether Government of its own accord considered the question of raising the age-limit, or any representation came to Government?

The Minister of Home Affairs and States (Dr. Katju): This matter was considered on a variety of grounds. I do not remember that there was any particular representation received from anybody.

Shri S. C. Samanta: May I know the time-limit which has been fixed for the Ministries to send the names of superannuated officers whose service will be extended?

Dr. Katju: I dare say that they will send in their recommendations in good time before the superannuation occurs.

Shri S. C. Samanta: I want to know whether any time-limit has been fixed.

Dr. Katju: No such time-limit has been fixed, but it is expected they will send them in good time.

Shri A. M. Thomas: There were paper reports to the effect of a proposal to raise the age of superannuation of High Court Judges from 60. Has there been any such proposal? Is it a fact that there has been some opposition to such a proposal and do Government propose to pursue the matter?

Dr. Katju: My hon. friend is now raising another point, that is about raising of the age of superannuation of High Court Judges. That would be a matter requiring amendment of Constitution; it is not an easy matter.

Shri Velayudhan: May I know, Sir, whether it is a fact that the extension is now mostly given to administrative personnel, rather than to scientific and technical personnel as was given out by the hon. Minister in reply to the original question?

Dr. Katju: I do not think that is quite correct.

VISWABHARATI UNIVERSITY

***1925. Shri N. B. Chowdhury:** Will the Minister of **Education** be pleased to state:

(a) whether there is any representative of Government on the Standing Finance Committee of the Viswabharati University, West Bengal;

(b) if so, whether he attends meetings of that Board at Viswabharati from time to time; and

(c) in what way he exercises control over the expenditure of the University?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) There is no representative of the Government of India on the Committee; but one member is the nominee of the Visitor, and is an officer of the Government of India.

(b) Yes.

(c) As a member of the Standing Finance Committee, the Visitor's nominee scrutinises the annual accounts and financial estimates of the University and participates in the exercise of powers and duties of the Committee prescribed by the Statutes of the University.

Shri N. B. Chowdhury: May I know, Sir, whether any irregularities in the accounts of 1952-53 have come to the notice of Government?

Shri K. D. Malaviya: I am not aware of any irregularities.

Shri N. B. Chowdhury: May I know, Sir, whether copies of audit reports in respect of accounts of such aided universities are made available to the Government?

Shri K. D. Malaviya: Yes, audited accounts are made available to Government.

TRAINING OF NAVAL OFFICERS

***1926. Shri K. C. Sodhia:** (a) Will the Minister of Defence be pleased to state the total amount of contribution, if any, made during 1951-52 and 1952-53 to the Royal Navy for the training of Indian Naval Officers in the engineering and other branches?

(b) What was the total number of such officers trained during 1951-52 and 1952-53?

(c) What was the contribution made to War Office U. K. for advance training of our army officers and the number of such officers trained during 1951-52 and 1952-53?

The Minister of Defence Organisation (Shri Tyagi): (a) The total expenditure on fees paid to the Royal Navy for training our officers in the various courses is as follows:—

1951-52	Rs. 3,98,000.
1952-53	Rs. 6,73,000.

(b) Officers undergoing initial Training.

	1951-52	1952-53
(i) Engineering Branch	27	36
(ii) Other Branches	104	107

Officers undergoing specialist Training.

	1951-52	1952-53
(i) Engineering Branch	2	4
(ii) Other Branches	22	21

(c) Fees paid to the War Office are as under:—

1951-52	£15,800
1952-53	£9,874

The number of Army officers detailed for training in the U.K. is shown below:—

From April 51 to March 52	32
From April 52 to March 53	37

Shri K. C. Sodhia: Is there any long-term agreement with U.K. in this matter?

Shri Tyagi: There is no agreement, Sir, on these matters. I must confess that U.K. is obliging us by giving facilities of training in subjects, in which training is not available in India.

Shrimati Tarkeshwari Sinha: May I know whether it is a fact that two Royal Navy ships have been transferred on loan to the Indian Navy to enable the latter to undertake adequate training of its personnel; and may I know if more ships are also going to be transferred?

Shri Tyagi: Sir, the question relates to training of officers. My hon. friend did not perhaps follow the question which pertains to officers who are sent for training. it does not pertain to ships.

Shrimati Tarkeshwari Sinha: For the training of the Indian Navy officers the Royal Navy of the United Kingdom have offered two ships—I want to know whether the hon. Minister is aware of the fact.

Shri Tyagi: It is for the training of the Naval Officers here in India.

Shrimati Tarkeshwari Sinha: Is it a fact that our High Commissioner in England received these two ships from the U.K. Government?

Shri Tyagi: Yes.

Shri Jaipal Singh: May I know whether any of our officers and other personnel are receiving submarine training—training in submarines? If not, why not?

Shri Tyagi: My difficulty is this. India is looking forward to the day when she could create a submarine force, and naturally whenever there are such possibilities and we have sufficient equipment, training will be had.

The Prime Minister (Shri Jawaharlal Nehru): Sir, may I add this to what my colleague has said? I do not know what the hon. Member means by 'submarine training'—training in submarines or against submarines?

An Hon. Member: Both.

Shri Jaipal Singh: Training for developing a Submarine Wing in the Indian Navy.

Shri Jawaharlal Nehru: We have no submarines, and for the present we do not intend getting any. But we certainly wish to give training to our people against submarines, and we do give it to some extent.

Shri K. C. Sodhia: On what basis is this contribution calculated?

Shri Tyagi: On the basis of actual payment made.

Shri K. C. Sodhia: Actual payment made by whom?

Shri Tyagi: Made by India.

Shri K. C. Sodhia: Who exactly?

Shri Tyagi: Our High Commissioner does it.

VIKRAMASILA UNIVERSITY

*1928. **Shrimati Sushama Sen:** (a) Will the Minister of **Education** be pleased to state whether Government are aware that the ancient and famous sites of Vikramasila University is being ruined by excavations for white clay?

(b) What steps do Government propose to take to preserve this important structure of antiquity?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) No excavations for white clay are being carried out by anybody on the site of Vikramasila University.

(b) Does not arise.

Shrimati Sushama Sen: May I know if Government would enquire that there is a pottery works there which is carrying on excavations for white clay for a number of years and there are many disputes going on on that account?

Shri K. D. Malaviya: I might add that the main site is not quarried for white clay, but nearabout on the Pattharghat Hills adjacent to this site they are excavated for white clay by the Bengal Potteries. And on this hill, not exactly at the place where white clay is taken out, there are certain caves of historical importance and they are being proposed to be declared as objects of national importance in the Bill before the House.

Shrimati Sushama Sen: Would Government make enquiries about this?

Shri K. D. Malaviya: We have made enquiries and will make further enquiries if the hon. Member wants me to do it.

श्री एस० सी० सामन्त : क्या मैं जान सकता हूं कि जो पोटरी वाले मिट्टी लेते हैं उनसे यूनिवर्सिटी का कोई नुकसान होगा या नहीं ?

श्री के० डी० मालवीय : उस जगह से कोई नुकसान नहीं होगा। उसके पास जगह जरूर है, लेकिन जो यूनिवर्सिटी की पुरानी साइट है, उससे कोई नुकसान नहीं होगा।

YOGIC PHYSICAL CULTURE

*1929. **Babu Ramnarayan Singh:** Will the Minister of **Education** be pleased to state:

(a) whether steps have been taken for the revival of the science of yogic physical culture (*vide* Five Year Plan page 202, clauses 2 and 4);

(b) if so, what;

(c) whether the co-operation of voluntary organisations engaged in propagation of health education, such as, (i) Yoga Ashram, New Delhi, (ii) Yogic Physical Culture Institute, Batala, and such other organisation has been sought; and

(d) if so, in what way and to what extent?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) Yes, Sir.

(b) (i) Grants have been given for research in "Yoga".

(ii) A Sub-Committee of the Advisory Board of Physical Education has been set up to consider the existing arrangements for courses of instructions on Physical Education including Recreational Activities and Yogic Physical culture in Schools and Colleges and to suggest long term and immediate steps for improvement of those courses.

(c) and (d). No, Sir.

बाबू रामनारायण सिंह : इसके बारे में अब तक कितने रुपये खर्च किये गये हैं ?

श्री के० डी० मालवीय : इस सम्बन्ध में सरकार ने जो सन् ५०, ५१ और ५२ में लोना वाला आश्रम को सहायता दी है वह इस प्रकार है :

सन् ५० में बीस हजार, सन् ५१ में सात हजार और सन् ५२ में दस हजार और सन् ५२ में एन० आर० एस० आर० ने पांच हजार की सहायता दी है ।

बाबू रामनारायण सिंह : योग आश्रम से स्वास्थ्य सम्बन्धी कितना लाभ होता है, इसके बारे में सरकार ने क्या पूरा पूरा पता लगा लिया है ?

श्री के० डी० मालवीय : जी हां, मैंने तो कहा कि इस सम्बन्ध में विचार हो रहा है कि कोई शिक्षाक्रम बनाया जाय और जैसे ही उस पर विचार समाप्त हो जायगा, उस पर कार्यवाही की जायगी ।

Prof. D. C. Sharma: May I know if the Government is going to give any aid to those Universities which are going to have Chairs of Yogic Physical culture and promote research in Yogic Physical culture?

Shri K. D. Malaviya: There are proposals which are under the consideration of Government, and this will also be considered by Government.

Shri Muniswamy: May I know whether the revival of this Yogic culture is sought only from the point of view of health or from any spiritual point of view?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): Health.

Shri K. D. Malaviya: Just now from the point of view of health.

बाबू रामनारायण सिंह : मैं पूछना चाहता हूं कि क्या यह प्रश्न कभी हमारे प्रधान मंत्री के सामने उपस्थित किया गया है, क्योंकि मैं जानता हूं कि प्रधान मंत्री उसका अभ्यास करते हैं और उन्हों ने इससे बहुत लाभ उठाया है ।

श्री के० डी० मालवीय : प्रधान मंत्री के सामने यह प्रश्न नहीं आया ।

पंडित ठाकुर दास भार्गव : क्या गवर्नमेंट को मालूम है कि जब पंजाब अनडिवाइडेड था तो पंजाब एजूकेशन बोर्ड ने इस योगिक सिस्टम को रैकगनाइज कर लिया था और पंजाब के कालिजों में इसको रायज करने के लिये उनके सामने कोई तजवीज थी और उस पर अमल हुआ ?

श्री के० डी० मालवीय : जी हां, पंजाब के कुछ इंस्टीट्यूशन्स में यह शिक्षाक्रम के तौर पर चालू है यह सरकार को मालूम है ।

GRANTS TO CENTRAL UNIVERSITIES

***1930. Shri Jhulan Sinha:** Will the Minister of **Education** be pleased to state:

(a) the principle on which grants to the Central Universities for maintenance expenses are annually made; and

(b) the guiding principles for allocating sums for expansion of educational activities in the Central Universities?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) and (b). A statement is laid on the Table of the House. [*See* Appendix XI, annexure No. 35.]

Shri Jhulan Sinha: With reference to the information given in part (a) of the statement, may I know if the Block Grants for the Central Universities have as their basis the actual expenditure in the previous year or any other basis?

Shri K. D. Malaviya: So far, the actual expenses. That is what has been mentioned here. And if it is found that there has been a deficit, then we make up that deficit by additional grants.

Shri Jhulan Sinha: With reference to the information contained in part (b) of the statement, may I know if the grants for the schemes are intended to cover the entire expenditure under the scheme, or are the Universities to find the rest for themselves?

Shri K. D. Malaviya: With regard to (b) which relates to expansion of educational activities under special schemes that are put forward by the Universities, we help them on contributory basis also.

NON-GOVERNMENT SECONDARY SCHOOLS IN BIHAR RECEIVING GRANTS

***1931. Shri Jhulan Sinha:** Will the Minister of **Education** be pleased to state the names of non-Government secondary schools in Bihar that

received direct grants from the funds earmarked for the purpose during the year 1952-53?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): No direct grants were given to any non-Government secondary schools in Bihar in 1952-53.

Shri Jhulan Sinha: Does the amount earmarked for the purpose contain provision for grants to non-Government colleges?

Shri K. D. Malaviya: The question is not audible. Perhaps he is referring to a grant of Rs. 79,200 which was sanctioned under scheme 4A for the improvement of selected secondary schools. We are not aware whether those secondary schools were Governmental or non-Governmental.

Shri Jhulan Sinha: Under the sum budgeted under Education, may I know whether the Rajendar College, Chapra, has applied for a grant?

Shri K. D. Malaviya: I require notice to answer that specific question.

CONFERENCE OF EDUCATION MINISTERS AND VICE-CHANCELLORS

*1932. **Shri A. M. Thomas:** (a) Will the Minister of **Education** be pleased to state the recommendations, if any, of the conference of Education Ministers and Vice-Chancellors held on the 18th and 19th April, 1953?

(b) What are the proposals of the Government in the light of the views expressed at the conference?

(c) What will be the constitution and functions of the proposed University Grants Commission?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) The Government of India had originally proposed the constitution of two separate agencies; a Central Council of University Education and a University Grants Commission. The Conference has suggested that instead of two separate bodies, only one, namely, the University Grants Commission, should be constituted and vested with functions and powers which the draft Bill had intended to vest in the Central Council of University Education. The conference also considered the question of manual labour by students at the University and Secondary levels and made certain detailed suggestions. It has also recommended a survey of the work being done at present and the suggestions that the various educational authorities may like to put forward for the future.

(b) and (c). The matter is under consideration.

Shri A. M. Thomas: In answer to a question of mine in the last session of the Parliament whether, in view of the opposition of the University bodies, the proposal to bring a comprehensive Bill to control University education was dropped, the reply of the hon. Minister, Maulana Azad was an emphatic "NO". Reports again appear that the Bill in the form prepared by Government has been dropped. Is that report correct and may I know the present position?

منسٹر آف ایجوکیشن اینڈ نیچرل ریسورسز اینڈ سائینٹفک ریسرچ (مولانا آاد) : اگر کانفرنس کی و گورنمنٹ نے منظور کر لی تو اس صورت میں صرف اتنی تبدیلی ہوگی کہ جو بل وہ پہلے یونیورسٹی ایجوکیشن بورڈ کے نام سے پیش کرنا چاہتی تھی اب یونیورسٹی گرانٹ کمیٹی کے نام سے پیش کریگی ۔

[**The Minister of Education and Natural Resources and Scientific Research (Maulana Azad):** If the proposal of the Conference is accepted by the Government, the only change in that case will be that the Bill which it previously wanted to bring on behalf of the University Education Board will now be brought on behalf of the University Grant Committee.]

Shri A. M. Thomas: Am I to understand that the proposal to appoint a Central Council of University Education has finally been dropped and it has been resolved that a University Grants Committee on the U.K. model will serve the purpose?

مولانا آزاد : یونیورسٹی گرانٹ کمیشن کی تجویز پہلے سے گورنمنٹ کے سامنے تھی ۔ اب کانفرنس نے یہ تجویز منظور کی ہے کہ پرپوزڈ ایجوکیشن بورڈ کا فنکشن بھی اسی کے حوالہ کیا جائے اور جو پاور بورڈ کے لئے قرار دیا گیا تھا وہ اسے حاصل ہو ۔

[**Maulana Azad:** The proposal of the University Grants Commission was already before the Government. Now the Conference has decided that the function of the proposed Education Board should also be entrusted to it and it should also enjoy the power which was proposed for the Board.]

Shri A. M. Thomas: May I enquire when can we expect a comprehensive legislation which will be introduced in Parliament?

مولانا آزاد : کوشش کی جا رہی ہے کہ جلد پیش کیا جائے -

[**Maulana Azad:** Efforts are being made to introduce it at an early date.]

Shri Meghnad Saha: The University Commission presided over by Dr. Radhakrishnan has laid down certain proposals for the constitution of a University Grants Commission. Does the proposed Bill intend to follow the same lines or different lines?

مولانا آزاد : ہاں گورنمنٹ قریب قریب ویسا ہی کمیشن بنانا چاہتی ہے جیسے کمیشن کی یونیورسٹی انکوائری کمیشن نے سفارش کی ہے -

[**Maulana Azad:** Yes. The Commission proposed to be set up by the Government will largely be on the same lines as have been recommended by the University Inquiry Commission.]

Shri Meghanad Saha: The Radhakrishnan Commission has suggested that the University Grants Commission should be an autonomous body on the lines of the Union Public Service Commission. Is it going to be an autonomous body or a body subordinate to the present Ministry?

مولانا آزاد : گورنمنٹ اس پر غور کر رہی ہے -

[**Maulana Azad:** It is under consideration of the Government.]

Shri Velayudhan: May I know whether there was any consensus of opinion in the conference of the Vice-Chancellors that Government control over these Universities should be slackened?

Mr. Deputy-Speaker: Was it the general feeling that Government's Control over the Universities should be slackened?

مولانا آزاد : نہیں — کانفرنس کی تو یہی تجویز تھی جو ابھی پڑھ کر سنادی گئی ۔

[**Maulana Azad:** No. The proposal made by the Conference has just been read out.]

Shri Punnoose: May I know why the original idea of two Commissions has been given up for one and may I also know how this new proposal would be useful to the Universities?

مولانا آزاد : گورنمنٹ ابھی اس پر غور کر رہی ہے - کانفرنس نے جو تجویز پیش کی ہے وہ یہ ہے کہ الگ الگ دو باڈیاں نہ بنائی جائیں - ایک ہی بنائی جائے اور وہ دونوں کا کام کرے - بظاہر اس میں کوئی خاص برائی کی بات معلوم نہیں ہوتی کہ دو کی جگہ ایک ہی باقی ہو -

[**Maulana Azad:** It is still under consideration. The Conference made the suggestion that instead of two separate bodies there should be only one body which should do the work of both. Apparently this does not seem to be an undesirable suggestion.]

Prof. D. C. Sharma: May I know whether the resolution passed at the Vice-Chancellors' conference with reference to manual labour is going to be mandatory or it is only a pious kind of recommendation?

Shri K. D. Malaviya: It will not be mandatory. Neither will it be a pious wish of the conference. We are trying our level best to see that this important decision is implemented as soon as possible.

Prof. D. C. Sharma: Are Government aware of the fact that the all-India Educational Conference held in December 1952 passed a resolution that there should be compulsory social services for every students' organisation in India and whether Government is going to act upon that resolution?

مولانا آزاد : اس پر ہم غور کر رہے ہیں - اس وقت مشکل ہے کہ اس کا قطعی کوئی جواب دیا جائے -

[**Maulana Azad:** It is under consideration and it is difficult to give any definite reply at the moment.]

Shri Matthen: May I know whether the proposed University Grants Commission is on the model of the U.K. Grants Commission?

مولانا آزاد : گورنمنٹ اس پر دھیان دے رهی هے - ابھی کوئی آخری فیصلہ نہیں هوا -

[**Maulana Azad:** The matter is under consideration of the Government and no final decision has yet been taken.]

"RAZNAGAR HUR" OF TRIPURA

***1933. Shri Dasaratha Deb:** Will the Minister of **States** be pleased to state:

(a) whether the "Raznagar Hur" of Tripura can be brought under cultivation;

(b) whether it will give 800 acres of paddy land;

(c) whether local peasants have sent a deputation to the Divisional Officer of that locality; and

(d) whether Government propose to give any aid to these peasants?

The Minister of Home Affairs and States (Dr. Katju): (a) to (d). The required information is being collected and will be laid on the Table of the House when received.

Shri S. C. Deb: May I know whether the proposals made earlier by the representatives of the people have been accepted by the Food Ministers?

Dr. Katju: I do not know. I require notice.

EXPERTS COMMITTEE (OSMANIA UNIVERSITY)

***1934. Dr. Suresh Chandra:** Will the Minister of **States** be pleased to state:

(a) whether it is a fact that the Experts Committee set up by the Government of India in connection with the taking over of Osmania University by the Centre, has not met even once so far; and

(b) if so, the reasons therefor?

The Minister of Home Affairs and States (Dr. Katju): (a) Yes.

(b) I understand that the Committee will meet very shortly.

Dr. Suresh Chandra: May I know whether the Government have finally dropped the idea of taking over Osmania University?

Dr. Katju: No, no.

Shri Krishnacharya Joshi: May I know whether any time-limit is fixed in the terms of reference for the submission of the report?

Dr. Katju: I do not think so. If they delay very much we will have to fix some time-limit.

Shri H. G. Vaishnav: What would be the medium of instruction in case the University is taken over by the Centre?

Dr. Katju: Look at the question, Sir, and look at the supplementary.

Mr. Deputy-Speaker: Taking over of the University? The question of details to be decided after taking over the University is a different matter.

Dr. Suresh Chandra: The hon. Minister said that the Committee will be meeting shortly but he has not stated the reason. He has not replied to part (b) of my question, regarding the reasons why this Committee did not meet.

Dr. Katju: It is difficult sometimes to speculate upon the reasons. A meeting of the Legislature in Hyderabad might have been possibly one of the reasons but I cannot really give the reason which affected other people.

Shri R. N. Reddy: Is Government aware of the feelings against this step in Hyderabad State itself?

Mr. Deputy-Speaker: Appointment of the Committee itself?

Dr. Katju: It is a matter of opinion.

Shri Matthen: What is the reaction of the Hyderabad Government to this proposal?

Dr. Katju: The reaction is very good.

Shri R. N. Reddy: May I know whether Government have received any representations in this regard on behalf of the people's organisations in the State?

Dr. Katju: Not that I recollect. I require notice.

Dr. Suresh Chandra: May I know whether the Osmania University has not opposed to its being taken over by the Centre?

Dr. Katju: These are all past history. All sorts of representations were received when the Committee was set up.

Dr. Suresh Chandra: It is not past history because the representations have been made to the Osmania University and the Government, and I suppose the Ministry, is awaiting the replies.

منسٹر آف ایجوکیشن اینڈ نیچرل ریسورسز اینڈ سائنٹیفک ریسرچ (مولانا آزاد) : اگر آنریبل ممبر کا یہ خیال ہے کہ ابھی حال میں کوئی اس طرح کا ریزولیوشن گورنمنٹ کو ملا ہے تو میں یہ کہہ سکتا ہوں کہ نہیں ملا ہے ۔

[**The Minister of Education and Natural Resources and Scientific Research (Maulana Azad):** Contrary to the hon. Member's impression, I may say that Government have received no such resolution recently.]

UPGRADING OF CITIES

*1935. **Shri Punnoose:** Will the Minister of **Finance** be pleased to state:

(a) whether in the orders issued recently upgrading of a few cities as 'C' class stations, the names of Vellore, Tanjore, Ranchi, Rajamundry, Cuttack, Jamnagar and Bhopal, whose population exceeds a lakh according to the 1951 census, have been omitted;

(b) if so, why these stations have been excluded from the list of 'C' class stations;

(c) whether Shahjahanpur has been classified as a 'C' class station while its population is less than that of some of the stations referred to in part (a) above; and

(d) whether it is a fact that the recommendation of the Pay Commission in regard to grant of house rent allowance at stations with a population of a lakh and above has been accepted by Government?

The Deputy Minister of Finance (Shri M. C. Shah): (a) Yes, Sir.

(b) Only those towns which had a substantial excess over 1 lakh on the basis of 1951 census figures were included in the list of Class 'C' towns. Since these towns did not satisfy this criterion, they were omitted from the list.

(c) Yes, Sir; it was included in 1947 when the original orders sanctioning compensatory (city) allowance and house rent allowance were issued.

(d) No, Sir. The population criterion was not strictly adhered to but was kept in view at the time of sanctioning the allowances in 1947.

Shri Punnoose: Is it not a fact that the Pay Commission has recommended these allowances for all towns with a population of over one lakh?

Shri M. C. Shah: I have already stated that these population figures were kept broadly in mind. These population figures had not been meticulously taken as the criterion.

Shri Punnoose: The hon. Minister stated, "substantial excess over one lakh". Can he make it more specific?

Shri M. C. Shah: The inter-departmental committee decided that 15 per cent. over. one lakh should be considered as substantial.

Shri Punnoose: May I know whether the population is the only factor that counts or whether the cost of living in particular towns is also taken into consideration in fixing these allowances?

Shri M. C. Shah: In the house rent allowance and compensatory allowance, the population basis has been taken.

P.T.O. CONCESSION

*1937. **Shri Punnoose:** Will the Minister of **Home Affairs** be pleased to refer to the reply to starred question No. 864 asked on the 18th March, 1953, regarding grant of the P.T.O. Concession to Central Government Servants and state whether any decision has since been taken in the matter?

The Deputy Minister of Home Affairs (Shri Datar): The matter is still under consideration.

आसाम में बवंडर

*१९३८. **श्री रघुनाथ सिंह :** क्या गृह-कार्य मंत्री यह बतलाने की कृपा करेंगे कि २१ और २२ अप्रैल, १९५३ की रात को आसाम में जो गहरा बवंडर आया था तथा जिसमें रेल-गाड़ियों का चलना तक रुक गया था उस बवंडर में जन तथा धन की कितनी हानि हुई ?

The Deputy Minister of Home Affairs (Shri Datar): No report of heavy cyclone over Assam on the night between the 21st and 22nd April, 1953, or of any loss of life or property thereby has been received.

श्री रघुनाथ सिंह : ट्रेन का आना जाना कितने समय तक रुका रहा ?

Shri Datar: I am not aware.

श्री रघुनाथ सिंह : इस साइक्लोन की वजह से ट्रेन का आना जाना कितने समय तक रुका रहा ?

Shri Datar: In the first place, we have no information that there was any cyclone; much less can I answer any question regarding stoppage of trains.

DELHI POLYTECHNIC COLLEGE

***1939. Shri Jhulan Sinha:** Will the Minister of **Education** be pleased to state:

(a) whether the Delhi Polytechnic College, Kashmere Gate, Delhi is managed and maintained entirely by the Central Government; and

(b) if so, the amount spent over it during the last two years?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) Yes.

(b) Rs. 27,51,005, including expenditure on purchase of equipment and construction of buildings.

Shrimati Tarkeshwari Sinha: May I know if it is a fact that the final year students of the Delhi Polytechnic College did not appear for examination and came out of the examination hall and if so may I know the reasons?

Shri K. D. Malaviya: I am not aware of it.

Shri N. M. Lingam: May I know the number of students studying in that college State-wise?

Shri K. D. Malaviya: The total number is 1403. I am afraid I cannot say anything about the break-up State-wise.

Shri K. K. Basu: May we know whether the candidates coming from the different States are selected by the State Governments or they are selected directly here?

Shri K. D. Malaviya: I am afraid I cannot answer that question.

Mr. Deputy-Speaker: It does not arise out of this question. The hon. Minister has not got the information. **Next question.**

NATIONAL CULTURAL TRUST

***1940. Shri T. S. A. Chettiar:** Will the Minister of **Education** be pleased to state:

(a) whether it is proposed to establish in the near future the National Cultural Trust, as suggested in the Scheme of the Central Advisory Board of Education;

(b) the cultural activities to promote which a sum of Rs. 13.70 lakhs has been provided in the budget for 1953-54; and

(c) whether these grants are given direct or through State Governments?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) No, Sir.

(b) A statement detailing these cultural activities is placed on the Table of the House. [*See* Appendix XI, annexure No. 36.]

(c) So far Government has been giving grants direct, consulting State Governments and other organizations whenever necessary. But grants in future for cultural purposes will largely be given on the advice of the respective Academies.

Shri T. S. A. Chettiar: May I know the principles on which these grants are to be made?

Shri K. D. Malaviya: There is no special principle which has been decided upon. But, we just try to find out the activities of the various institutions and with reference to their activities, we try to help them.

Shri T. S. A. Chettiar: What are the cultural academies which they propose to consult in giving these grants?

Shri K. D. Malaviya: Academies of Dance, Drama, Music, and Letters and Art.

Shri Punnoose: May I know whether any South Indian organisation or institution has got any grant in this connection?

Shri K. D. Malaviya: I am afraid I have not got a list from that point of view, but Grants have been given to South Indian institutions.

Shri T. S. A. Chettiar: Am I to take it that these grants are limited to the four items, the names of whose academies are mentioned?

Shri K. D. Malaviya: No. There is no such limitation of institutions with regard to subjects of these academies.

Mr. Deputy-Speaker: The other two questions have been transferred. I shall go a second round.

Mr. Hukam Singh; absent, Mr. Chacko.

*1916. **Shri P. T. Chacko:** (a) Will the Minister of **Law** be pleased to state whether the All-India Bar Committee, constituted by the Government of India in December, 1951, has submitted its report to Government?

(b) If so, what are its recommendations regarding:

(i) a completely unified Bar for the whole of India, and

(ii) the dual system of agents and advocates in the Supreme Court; and

(iii) the continuance of different classes of legal practitioners?

(c) What steps have Government taken to implement these recommendations?

The Minister of Law and Minority Affairs (Shri Biswas): (a) Yes.

(b) A copy of the Report of the All-India Bar Committee is laid on the Table of the House. [*Placed in Library. See* No. IV(a) (89a).]

(c) The Report has to be carefully studied in detail and the State Governments, High Courts and other interests concerned will have to be consulted before a decision on the recommendations is taken by Government. All this will take time.

Shri P. T. Chacko: What is the practice now obtaining in the various High Courts as regards the recognition of the various categories of legal practitioners? Is there any uniform practice as regards agents, junior lawyers and advocates?

Shri Biswas: I will refer the hon. Minister to the report which deals exhaustively with all these matters.

Shri P. T. Chacko: I am asking about the existing practice.

Shri Biswas: That is also described in detail in the report.

Mr. Deputy-Speaker: The whole hour cannot be occupied with the details of the report.

Shri K. K. Basu: Is it true that the All-India Bar Committee has recommended the abolition of the dual system in the Supreme Court and the retention of attorneys in the Calcutta and Bombay High Courts?

Shri Biswas: It has recommended the continuance of the dual system in the Calcutta and Bombay High Courts and the abolition of the Agency system in the Supreme Court.

Shri K. K. Basu: Is the Minister aware that as a result of the recent decision of the Supreme Court giving the Supreme Court Advocates the right to practise and act in the Calcutta and Bombay High Courts, the dual system is nullified?

Shri Biswas: The Committee has recommended that that Act should be repealed or modified.

Shri P. T. Chacko: What time will the Government take to arrive at a decision on this question?

Shri Biswas: I cannot say at the present moment. The report has just been published. It will be circulated to all organisations and courts and when the opinions are received, they will have to be considered carefully.

Shri K. K. Basu: May I know whether the Government of its own has applied its mind as to the efficacy of maintaining the dual system in these two high Courts which have been recommended by the All-India Bar Committee?

Shri Biswas: The only question which Government have so far decided is not to pass any interim legislation with the object of nullifying the latest decision of the Supreme Court, pending consideration of the recommendations of the Committee.

ALLOTMENT OF FUNDS TO HYDERABAD FOR RELIEF TO DISPLACED PERSONS

*1919. **Shri H. G. Vaishnav:** Will the Minister of **Rehabilitation** be pleased to state:

(a) whether it is a fact that the allotment of Rs. 50,000/- sanctioned to the Hyderabad State for the relief of the displaced persons has been recently withdrawn by the Centre;

(b) if so, what were the reasons for such withdrawal; and

(c) what is the total number of displaced persons who have settled in Hyderabad State and the total amount allotted for their relief during the years 1950, 1951 and 1952?

The Deputy Minister of Rehabilitation (Shri J. K. Bhonsle): (a) Yes.

(b) According to the present policy of Government loans are granted to those displaced persons who after having passed the course of Vocational & Technical Training wish to start their own industries, and to those displaced persons who wish to set up their business or industry in new townships.

(c) (i) The total number of displaced persons who have settled in Hyderabad State .... 5,000.

(ii) The total amount allotted during the three years, 1950-51, 1951-52 and 1952-53............ Rs. 2,01,000.

Shri H. G. Vaishnav: Are there any displaced persons in the State who have not received any loans for the running of their business?

Shri J. K. Bhonsle: The loans are only granted according to certain rules laid down, and since they did not come under those rules, that is to say, their having to pass a vocational and technical training course and to settle in a new township, they could not be granted the loan.

Shri H. G. Vaishnav: Are any of these displaced persons from Hyderabad State itself who were victims of the Razakar atrocities?

Shri J. K. Bhonsle: The question deals only with displaced persons, and not Razakar activities.

Dr. Suresh Chandra: Apart from the funds allotted for Hyderabad State, is there any proposal to allot the Laik Ali farm to the refugees in Hyderabad?

Shri J. K. Bhonsle: Yes, Sir.

Dr. Suresh Chandra: If there is such a proposal, is it a fact that some discrimination is made against Punjab refugees with regard to the allotment of this farm?

Shri J. K. Bhonsle: I do not think so, Sir.

JUNIOR DIVISION OF N. C. C. IN SALEM

***1921. Shri C. R. Narasimhan** (On behalf of **Shri S. V. Ramaswami**): (a) Will the Minister of **Defence** be pleased to state whether there is a junior division of the N.C.C. in Salem?

(b) Is there a proposal to start a senior division of the N.C.C. in Salem College, so that the training given in junior N.C.C. may be continued?

(c) Is it a fact that Government have a plan to have a senior division wherever there is a junior division of the N.C.C.?

The Deputy Minister of Defence (Shri Satish Chandra): (a) Yes.

(b) and (c). No, Sir.

Shri C. R. Narasimhan: What is the difficulty standing in the way?

Shri Satish Chandra: The main difficulty is the light financial position of the State Government which shares the major portion of the expenditure on the N.C.C. The remedy lies in Madras.

Shri K. G. Deshmukh: What is the share which is borne by the State Government?

Shri Satish Chandra: The Army Instructors, the weapons and equipment are supplied by the Central Government. All other expenditure on the N.C.C.—its establishment, maintenance, camp expenditure, uniform etc.—is borne by the State Government. At present I could not give you the exact figure State-wise, but the major portion is borne by the State Government.

Shri N. M. Lingam: Will not the expenditure and the effort on the Junior N.C.C. go to waste if it is not followed by a senior division in every case?

Shri Satish Chandra: That is very true, and we would like that senior division as far as possible is established at all places where the junior division troops have been raised but as I said, the hon. Member must persuade his State Government to sanction more money for the purpose.

The Minister of Defence Organisation (Shri Tyagi): Or, more rightly, say, his own father.

JUNIOR AND SENIOR DIVISIONS OF N. C. C.

***1922. Shri C. R. Narasimhan** (On behalf of **Shri S. V. Ramaswamy**): (a) Will the Minister of **Defence** be pleased to state the total strength at present of the junior and senior divisions of the N.C.C.?

(b) Is it a fact that Government intend to increase the strength of these divisions?

(c) What is the total number of students undergoing military training at present in (i) junior N.C.C. and (ii) senior N.C.C.?

The Deputy Minister of Defence (Shri Satish Chandra): (a) and (c). The present strength of the Junior Division is about 51,800 cadets, and 1,600 officers. Senior Division has about 25,500 cadets and 800 officers.

(b) Yes, depending upon the availability of funds.

Shri C. R. Narasimhan: How many are boys and how many are girls?

Shri Satish Chandra: The number of girls is less than 500. Rest are all boys.

Several Hon. Members: We are unable to hear.

Mr. Deputy-Speaker: Hon. Members must keep silent.

Shri Punnoose: You must tell the other side also.

Mr. Deputy-Speaker: I am telling every side.

Dr. S. P. Mookerjee: He should look at you. He is looking at the questioner.

Shri Sarangadhar Das: The Minister instead of looking at you, Sir, is looking at the questioner.

Mr. Deputy-Speaker: Hon. Members, all of them, must only look at me and none else.

Shri T. S. A. Chettiar: May I know, in view of the great importance of this question, whether the Government of India will consider subsidising those States which are unable to expand due to want of finance?

Mr. Deputy-Speaker: The hon. Minister will kindly look at me.

Dr. N. B. Khare: You must have a wig. That will make them look at you.

Shri Satish Chandra: The difficulty has arisen mainly in the case of some of the bigger States, with comparatively better financial resources.

Shri T. S. A. Chettiar: The question has not been answered. My question was, in view of the great importance of this question and the availability of good military material out of this training, will the Government of India consider the advisability of financing such of those States which are unable to finance themselves, to whatever extent possible?

Shri Satish Chandra: I may clear one misapprehension in the mind of the hon. Member. The cadets of the N.C.C. have no military obligation at all. This is purely an educational activity and the persons who are given this training have no obligation whatsoever to join the Armed Forces.

Shri T. S. A. Chettiar: I konw it perfectly well. I said in view of the availability of good military material out of these cadets.

Mr. Deputy-Speaker: We are arguing the matter.

Shri Satish Chandra: This training does not directly lead to it. It is a movement for the development of character and discipline among the youth.

DEPARTMENTAL PROMOTIONS TO COMMISSIONED RANKS

***1927. Shri Raghavaiah:** (a) Will the Minister of **Defence** be pleased to state whether it is a fact that departmental promotions to Commissioned Ranks in the service of the Army, like Army Ordnance Corps are not being done as before?

(b) If so, what are the reasons therefor?

The Deputy Minister of Defence (Sardar Majithia): (a) and (b). Only British Warrant Officers and British Other Ranks were eligible for the grant of departmental promotion to commissioned ranks in the Army. On account of the departure of the British element from the Indian Army after Independence, orders on this subject automatically lapsed. In the Army Ordnance Corps certain civilian and military Store-Keepers were granted commissions to fill authorised vacancies in the establishment of departmental (Stores) officers. This was purely an emergency measure and became inoperative as soon as the emergency was over.

MONUMENTS OF NATIONAL IMPORTANCE

***1936. Shri H. G. Vaishnav** (On behalf of **Shri Telkikar**): (a) Will the Minister of **Education** be pleased to state the qualities that go to qualify a monument to be declared as a monument of National importance under the Ancient and Historical Monuments and Archaeological Sites and Remains (Declaration of National Importance) Act, 1951?

(b) What are the latest declarations?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) Ancient and historical monuments which are of outstanding importance from the point of view of architecture, archaeology or history are regarded as of national importance.

(b) The latest declaration are those contained in the Ancient and Historical Monuments and Archaeological Sites and Remains (Declaration of National Importance) Act, 1951. A Bill to amend this Act is now pending before the House.

Short Notice Question and Answer

GROUNDING OF VIKING AIRCRAFT

Shri Joachim Alva: Will the Minister of **Communications** be pleased to state:
(a) whether it is a fact that a Viking was used by the Indian National Airways on the 24th April, 1953 on its Calcutta trip;

(b) whether it is a fact that the propeller failed before landing; and

(c) whether it is a fact that the plane has operated despite the ban imposed by the manufacturers?

The Deputy Minister of Communications (Shri Raj Bahadur): (a) Yes, Sir.

(b) The port engine was stopped and the propeller was feathered by the pilot deliberately, as the pilot felt loss of power on the final approach to Dum Dum. On a subsequent examination, the engine was found in good working condition.

(c) No, Sir.

Shri Joachim Alva: How many Vikings are in operation in India, and how many were grounded and not allowed to operate?

Shri Raj Bahadur: The Air India owns seven Vikings, and the Indian National Airways five. Ten of these are either grounded or undergoing certificate of air-worthiness. Only two are in operation at the moment.

Shri Joachim Alva: Is it not true that the Civil Aviation Department took a great risk in ordering the operation of these Vikings when there was a kind of world ban on their operation?

Shri Raj Bahadur: There is no world ban as such. As a matter of fact, the manufacturers came to a particular conclusion as a result of an accident which occurred in Africa, and they set out limits of flying hours by any particular aircraft of the Viking type, and according to that they said any aircraft which has done that number of flying hours should not be allowed to fly, without certain structural modification.

Shri Joachim Alva: Did the Civil Aviation Department offer any facilities to the operators in the shape of offering Dakotas in substitution of the Vikings which were grounded?

Shri Raj Bahadur: The Companies have got to fulfil their own obligation to keep their services on, and they have perhaps got a sufficient number of Dakotas to discharge the obligation.

Shri Joachim Alva: Was not metal fatigue noticed in the Vikings in question?

Shri Raj Bahadur: It was a case of metal fatigue in one of the parts in the wing.

Shri L. N. Mishra: May I know whether the Government is keeping in touch with the manufacturers regarding the defects detected in the different types of planes?

Shri Raj Bahadur: The engineering experts of the various airline companies do keep in regular touch with the maunfacturers and from time to time they get all the information with regard to the experience gained and the research carried out.

WRITTEN ANSWERS TO QUESTIONS

SCIENTIFIC DOCUMENTATION CENTRE

*1913. **Sardar Hukam Singh:** Will the Minister of **Natural Resources and Scientific Research** be pleased to refer to the reply to starred question No. 572 asked on the 27th August 1951, and state:

(a) whether the Scientific Documentation Centre for India has since been set up in the National Physical Laboratory, New Delhi;

(b) if so, the programme of work taken up by the Centre up till today; and

(c) the aid received from UNESCO for this Centre?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) to (c). A statement giving the required information is laid on the Table of the House. [*See* Appendix XI, annexure No. 37.]

BAZAARS BURNT IN TRIPURA

1378. Shri Dasaratha Deb: (a) Will the Minister of **States** be pleased to state the number of Bazaars which were burnt in Tripura during 1950—53, and the names of those bazaars?

(b) What remedy Government suggest to protect the bazaars from being burnt in the future?

(c) What was the total loss of property due to burning of those bazaars?

(d) How much amount was given as compensation to the sufferers in each locality and the amount given as business loan so far?

(e) Do Government propose to arrange for fire-brigade in each of these towns?

The Minister of Home Affairs and States (Dr. Katju): (a) Number of Bazaars burnt during 1950—53 was 11. Names of these Bazaars are Salgarah, Kakraban, Ragna, Tilthai, Damcherra, Kamalpur, Khowai, Kalyanpur, Teliamura, Fatikroy and Maharajgunj Bazaar (Agartala).

(b) Government have impressed on the businessmen the need for providing fire extinguishers, avoidance of Kitchen near the shops, replacement of the roof of thatched houses with tin or other non-combustible material, construction of godowns for the storage of combustible materials at a safe distance from the bazaars.

(c) Total loss of property due to fire at those bazaars is estimated at Rs. 15,00,000/- approximately.

(d) The payment of compensation by Government does not arise; no business loans have been sanctioned so far.

(e) The matter is receiving the attention of Government.

FIRE IN MAHARAJ GUNJ BAZAAR, TRIPURA

1379. Shri Dasaratha Deb: (a) Will the Minister of **States** be pleased to state the amount of loss of property caused by the fire in Maharaj Gunj Bazaar (Khowai) in Tripura?

(b) Was any representation made both to the State authorities and the Government of India demanding both compensation and business loan, from the Government?

(c) If so, what steps have been taken so far?

The Minister of Home Affairs and States (Dr. Katju): (a) The loss is estimated at Rupees one lakh.

(b) and (c). Payment of compensation by Government in such cases does not arise. No applications for compensation were received but gratuitous relief to the extent of Rs. 5,000 has been given. The businessmen asked for loans to the extent of Rupees two lakhs and fifty thousand. The applications are under consideration.

FINANCIAL AGREEMENT WITH RAJASTHAN

1380. Shri Bheekha Bhai: Will the Minister of States be pleased to state:

(a) whether it is a fact that a financial agreement was entered into with the Raj Pramukh of Rajasthan at the time of Federal Financial Integration in February, 1950;

(b) if so, whether the promise of Central assistance contained in clause (1) of the Agreement has been fulfilled and

(c) if the answer to part (b) above be in the affirmative, the extent to which the promise has been fulfilled?

The Minister of Home Affairs and States (Dr. Katju): (a) Yes.

(b) and (c). The problems of Rajasthan have been considered by the Planning Commission and the Finance Commission, from their respective points of view, and substantial financial assistance has been ensured to the State as a result of the recommendations of these Commissions. The Government of India have also set up a Committee under the Chairmanship of Shri N. V. Gadgil, M.P. to determine the quantum of the further financial and technical assistance needed by the State.

HOUSE BUILDING LOANS

1381. Dr. Ram Subhag Singh: Will the Minister of **Rehabilitation** be pleased to state:

(a) the amounts of money granted to different States by the Central Ministry of Rehabilitation in the year 1952-53, for giving house building loans to displaced persons settled in those States; and

(b) the number of houses and tenements constructed in those States as a result of those loans?

The Deputy Minister of Rehabilitation (Shri J. K. Bhonsle): (a) and (b). A statement is laid on the Table of the House. [*See* Appendix XI, annexure No. 38.]

AZAD MARKET, DELHI

1382. Sardar Hukam Singh: Will the Minister of **Rehabilitation** be pleased to state:

(a) the number of shops built in the Azad Market in Delhi;

(b) the total cost per unit for construction;

(c) the monthly rent charged; and

(d) the amenities provided in this market (Roads, Lighting etc.)?

The Deputy Minister of Rehabilitation (Shri J. K. Bhonsle): (a) 428.

(b) Approximately Rs. 2,680/-.

(c) Rs. 30/- per month, per unit, provisional.

(d) Two latrine blocks with one water closet and three urinals have been provided. The road is nearing completion. Electricity is also likely to be provided by the end of next month.

INCOME TAX APPELLATE TRIBUNAL

1383. Shri Sangappa: (a) Will the Minister of **Law** be pleased to state the number of appeals filed against the decisions of the Income-tax Officers of each circle in the State of Orissa before the concerned appellate tribunal, during each of last five years?

(b) How many of them have been since disposed of and pending so far?

(c) How many of them are pending for more than one year, two years, three years, four years and more than five years?

(d) What amount of time can an appellate tribunal take in the maximum for disposal of each appellate case?

(e) Do Government call for returns of pending cases and review them from time to time?

The Minister of Law and Minority Affairs (Shri Biswas): (a) to (c). Two statements are laid on the Table of the House. [*See* Appendix IX, annexure No. 39.]

(d) It is not possible to say how much time the Tribunal would take to dispose of each case. It all depends upon the nature of the case. A very simple matter may not take more than half an hour, Whereas heavy cases where large stakes are involved or important questions of fact or law arise, may take half to one day for hearing and the Bench may take some weeks to make up its mind and deliver the order.

(e) Monthly statements of institution and disposal of appeals are submitted by the Income-tax Appellate Tribunal to the Ministry of Law, State and Bench wise. Annual statements of institution and disposal are embodied in the Annual Administration Report submitted to the Government.

MINISTERIAL STAFF ABOVE 55 AND BELOW 60

1384. Shri N. P. Sinha: Will the Minister of **Home Affairs** be pleased to state what is the percentage of Ministerial staff in the Central Secretariat who are above 55 and below 60 and who are still in service?

The Minister of Home Affairs and States (Dr. Katju): The information is being collected and will be placed on the Table as soon as possible.

FOREIGNERS WORKING IN COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH

1385. Dr. Amin: Will the Minister of Natural Resources and Scientific Research be pleased to state the number of foreigners working at present in the Council of Scientific and Industrial Research, giving their names, nationality, qualifications, experience and salary and other allowances drawn by each of them?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): A statement giving the required information is laid on the Table of the House. [*Placed in Library. See* No. S-76/53.]

GOVERNMENT PROVIDENT FUND SCHEMES

1386. Shri Mohanlal Saksena: Will the Minister of **Finance** be pleased to state the total amount of annual contribution by Government employees to the Government Provident Fund Scheme recovered in 1950-51, 1951-52 and 1952-53?

The Deputy Minister of Finance (Shri M. C. Shah): Apparently the hon. Member is referring to the General Provident Fund maintained by the Central Government. Figures regarding the actual amount of net annual contribution to that Fund are not readily available. However, the gross deposits into the said Fund, that is including (i) repayments of temporary advances and (ii) interest, during the period in question, were as follows:—

		(In lakhs of Rs.)
1950-51	...	3,81
1951-52	...	4,29
1952-53	(Revised estimates)	4,43.

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Dated.......25.11.2014.

THE
PARLIAMENTARY DEBATES
(Part II—Proceedings other than Questions and Answers)
OFFICIAL REPORT

HOUSE OF THE PEOPLE

Thursday, 7th May, 1953

The House met at a Quarter Past Eight of the Clock

[MR. DEPUTY-SPEAKER *in the Chair*]

QUESTIONS AND ANSWERS

(*See Part I*)

9-15 A.M.

STATEMENT BY DR. N. B. KHARE

Mr. Deputy-Speaker: Dr. Khare.

Dr. N. B. Khare (Gwalior): Sir, after the statement made by the Prime Minister on the floor of this House disclosing certain things and the unconditional and profoundest apology tendered by the Law Minister, after that, I do not wish to move the motion of no-confidence which I had tabled against him. I hope at least hereafter the Ministers will be careful to read the files submitted to them by their Secretaries.

I must conclude, Sir, with the saying:

अक़लमन्द रा इशारः काफी अस्त

[A word is enough for the wise—not for the unwise.] (*Interruption*).

AIR CORPORATIONS BILL—*contd.*

Mr. Deputy-Speaker: The House will now proceed with further consideration of the Air Corporations Bill. Mr. Damodara Menon was last speaking.

Shri Damodara Menon (Kozhikode): Yesterday I was referring to the composition of the Air Corporation and I suggested that the members of the Corporation must be full-time. I also drew attention to the proposal of the Minister that the officers of the different Ministries who were deputed to be on the Corporation must become full-fledged members. I said there was a certain amount of inconsistency in this respect between the different Ministries, and that it would be better if the officers who were deputed to the Corporation acted in the capacity of advisers and not in the capacity of members. That would save the Ministry and also the Government from unnecessary embarrassment, because if these officers participate in the discussions as members and come to certain conclusions and also decisions, it would be rather difficult, and also embarrassing to the Government to change those decisions later on. The Act vested power with the Government to change the decisions of the Corporation whenever they deemed fit to do so and also to give directions to the Corporation in any matter that might be considered necessary. In view of that, Sir, it would be good if the Minister could at least now change his view and adopt the advice of the hon. Mr. T. T. Krishnamachari in respect of the Tea Board, that the officers of the different Ministries should act only in the capacity of advisers when they attend meetings of the Corporation.

Another matter that has to be considered in this connection regarding membership of the Corporation is proper representation to labour. I have been pained to note that the Government is rather shy to take labour into its confidence. When we are launching, though in a slow and shy manner, on a programme of nationalisation, it must be possible for us to take labour into our confidence, because the essence of nationalisation lies in introducing a certain amount of economic democracy. I have heard the hon. Minister himself, when he was Labour Minister, pleading for economic democracy, and I am asking him now when he is piloting a measure of nationalisation whether it will not be possible for him to show some of his zeal for economic democracy in practice, at least by giving proper representation to labour in this Corporation. My suggestion is that one of the members at least of the Corporation must be an employee of the Corporation who can

[Shri Damodara Menon]

enjoy the confidence of the labourers who work in all the different branches of the Corporation. There is one definite advantage in that. The success of this national undertaking depends, in a large measure, upon the enthusiasm and co-operation of the workers and you can generate that enthusiasm only if you take them into your confidence and share with them the powers which you are now taking over. It may be possible for us to find people who have some kind of experience in the management from other sectors of our national life. We may also get the present management—some of these representatives of vested interests—to become members of the Corporation. But as I have had occasion to state before, these gentlemen may not have the same amount of zeal in the working of a national undertaking. They may not believe in nationalisation at all. Therefore, it is all the more necessary for the Government to see that a representative of the workers is taken as a member of the Corporation.

The thing which we must bear in mind especially in nationalisation is that it must be possible for us to release the energy of the workers in the undertaking in proper channels. The hon. Minister may have doubts about the efficacy of this step. But if we do really believe in nationalisation, and not merely pay lip homage to that, we must have a certain amount of democratic set-up in the management of our national undertakings.

Another matter which I thought relevant to the consideration of the Select Committee's report is, of course, the basis on which we must pay compensation. This matter has been discussed at length here, and we also considered this question in great detail during the deliberations of the Select Committee. My own view is that it would be fair to all concerned and also it would serve national interests if we compulsorily acquire the shares of all these different air companies at the market rate as on July 1952. It has been urged here that in purchasing or taking over these airways it must be the concern of everybody concerned to see that the interest of the ordinary shareholder is protected. There were many kinds of suggestions and legal difficulties were also urged on the part of the Ministry. The hon. Minister stated that he was examining this question again. My own view in this matter is that if we compulsorily purchase the shares of these companies it would be possible for them to give some protection to the interests of the ordinary shareholders.

Now, there is also another matter that has to be considered in this connection. Suppose we are purchasing the assets of the company at certain specified rates. It is possible that we may be burdened with mere junk—property that may not be useful for the purpose of running the Corporations. It has been pointed out here that these companies purchased a lot of material during disposal time—at the time when war materials were disposed of. They purchased a lot of materials which could not, in all conscience, today be used for the Corporations or for these aircrafts that may be used for the Corporation. How are we to deny them the right to sell these goods if we are purchasing them on the basis of the assets? And are we to burden the Corporation with all this junk? Are we to waste the taxpayers' money in purchasing material that may ultimately be useless for the Corporation? Therefore, from that standpoint also it will be to the interest of all concerned that we purchase the shares of the Companies.

Now, it has been urged by the hon. Minister that the shares are now selling at a very low price in the market because the companies were not making proper profits. That is no reason why we should not purchase them. If the Minister feels that the present market rate is too low, I may even go to the extent of offering him another suggestion. We may give a little more than the market rate; but, I do not think that is absolutely necessary. But, if the Government is in a generous mood to help these people, I would even suggest, purchase them at a little more than the market rate. Then we will not be put to the difficulty of assessing the values of the materials; that may not be necessary.

Now, a suggestion was made by hon. Mr. Bhonsle that the present purchase rate of the material, especially the depreciation rate is fair. The hon. Minister has adopted a certain depreciation rate in the schedule, but our position was that the depreciation rate must be the one that is under the Income-tax law. The hon. Minister held that it would be unfair to the company. He wanted to be more generous. Many Members here, including Mr. Bhonsle were suggesting that we have misunderstood the purpose of the Depreciation Fund or the depreciation rate, when we said that this must be the income-tax rate. He said that the income-tax rate was allowed because it was felt that the companies must have ample resources and funds to replace the machinery or aircraft that they purchase. That is true, Sir. I mean this Depreciation Fund is mainly intended for replacement. Now, I want the House to consider this position. As a matter of fact, depreciation was allowed at the income-tax rate to all these companies. This money they utilised for purchase of new aircraft and also other material. They acquired other assets. Those assets are now available for the Government to purchase; the Government will have, in fact, to purchase them according to schedule. Therefore, they suffer no loss at all. Whatever replacement they made, and whatever was allowed to them at the income-tax rate is now tangible before us, in the shape of new aircraft and other material. Where is the harm for us to purchase them? In fact, we have to purchase them. Therefore, there is no injustice at all done to them in this matter if we are following the income-tax rate of depreciation. It would not be right on our part to be too generous with the tax-payers' money. After all, these companies were getting some kind of grants and subsidies from the Government in an indirect manner. Whatever money they were able to get, whatever profits they were able to earn, they have utilised for the purchase of new assets. This again, was in a certain measure the tax-payers' money. Therefore, there is no injustice at all if we now stick to the position that the income-tax rate of depreciation alone can be allowed and that would be fair to them. Therefore I would suggest that the Government should avoid all kinds of complication and also unnecessary doubts in the minds of the public about the purchase of these assets. In the first instance, if it is possible—I think there is no difficulty for them to adopt that course—it must be possible for them to purchase the shares of the companies at the market rate as on July 1952. If it is not possible for them to do that and if they still want to stick on to the purchase of assets, then let them at least follow this procedure of allowing the depreciation only at the income-tax rate, and not at the rate that is now contemplated, in the schedule.

One point more. I want to impress upon the hon. Minister the question of labour representation. Just as I was coming to the Parliament today, I received a telegram from the employees of the Airways India, Ltd. That telegram says that 43 employees of the Airways India, Calcutta, were served with notices of discharge under section 20 of the Air Corporations Bill. Now, that means that these companies have already begun to discharge these employees.

An Hon. Member: Even before the Bill is passed?

Shri Damodara Menon: Yes, under section 20, protection is given to the employees who have been employed on or before July 1952, but we have left the fate of the employees who have been employed after that date by the Companies in an undefined state. That is why these companies are taking advantage of that and are serving notices on these poor employees. I would request the hon. Minister to consider this very seriously and to make a provision here that those employees who are discharged now will, if possible, be re-employed when the Government takes over. Such an assurance is certainly necessary in the circumstances of the case. We should not create an impression among the employees that when the Government is taking over their interests are jeopardised. That will not create the healthy atmosphere which we want when the national undertaking is carried on under Government auspices.

Mr. Deputy-Speaker: He must reserve something for others. I have given the hon. Member sufficient time.

Shri K. C. Sodhia (Sagar): Sir, I was standing from yesterday.

AIR CORPORATIONS BILL

REPORT OF COMMITTEE ON PETITIONS

Pandit Thakur Das Bhargava (Gurgaon): I beg to present the Report of the Committee on Petitions on the Air Corporations Bill, 1953.

AIR CORPORATIONS BILL—*contd.*

Shri Gadgil (Poona Central): I have followed the debate yesterday and today and also the discussion that took place when the Bill was referred to the Select Committee I should say, there was fairly unanimous agreement on the point of taking over of the air transport industry by the Government. It was only one Member, as far as I remember, who said that Air India International should not be taken over. On the other hand, many Members made a grievance that the non-scheduled operations are not being taken over. By and large, I think, the scope which this Bill has is reasonable in the circumstances of the case. If the Government had not come in the way in which it has come to the help of this industry, perhaps, the industry would have suffered very serious consequences, in spite of the fact that subsidy would have been available to the air transport indus-

[Shri Gadgil]

try. Even the Rajadhyaksha Committee recommended that the position should be reviewed after five years and I think the only difference now is of time. It has been reviewed 2 years earlier because the industry did not develop or did not maintain the same standard as was expected by the Rajadhyaksha Committee. I think, when Government is taking over this industry, it should not be the aim of Government merely to run it by buying the necessary material from abroad. It should be part of the scheme of nationalisation that not only the spare parts, but, as early as possible, the manufacture of complete aircraft should be made in this country. I have no doubt that that is the aim of the Government, though not specifically stated in this Bill.

Now as regards the scope of nationalisation, as I said many hon. Members made some grievance that non-scheduled operations have not been taken over by the Government. Now, non-scheduled operations are not an inconsiderable part of the traffic, both passenger and frieght. Here is a book written by Prof. Dekani, who was also associated with the Rajadhyaksha Enquiry Committee and he has given details as to the hours of flying and freight carried by the non-scheduled operators as well as by the limited companies. That is quite a fair amount. At any rate, it is not inconsequential. I appreciate the difficulty of the Government in immediately taking over this sphere, but I do hope that Government will see to the development of the activities of the two corporations proposed on lines which will ultimately result in taking over of the non-scheduled operation. What I gather is that when scheduled services are taken over.—I do not know whether I am stating the position correctly—companies will still be allowed to work in the non-scheduled operation field. If that is so, I honestly feel that it will create some complications and perhaps confusion in the management. I am not insisting that straightaway it should be taken today here and now. But as early as possible the organisational set-up of the two corporations should be so evolved as to enable them to take over this portion of the air traffic.

Now there was considerable discussion on the form of organisation. Now, so far as State enterprises are concerned here in India at present there are three varieties. One, the whole thing can be run departmentally; the other is that it can be run by a company to be formed and incorporated under the provisions of the Indian Companies Act and the third by a form called Corporation. Now for each there are advantages as well as disadvantages and from experience gained so far one cannot dogmatise about it. After all this is a field in which one learns by trial and error and if I have a claim to say something about it it is because I was associated as a Minister with public enterprises in the course of the last three years. We experimented with a Corporation when we constituted the Damodar Valley Corporation. Then we thought of having a company for the purpose of running the Sindri factory. Now it is too early to say whether one form is better or the other form is not as good as was expected. I always believe in experiment. It is only by this method of trial and error that one can progress. But having said that, my own feeling is that so far as the Department is concerned, it is not eminently suited for running any big industrial concerns. On this point the Air Transport Enquiry Committee has something very strong to say:

> "Our first consideration is which course is most conducive to efficiency. It is obviously essential that if the air transport industry is to be efficient, there should be flexibility of management, and personal initiative and responsibility involving quick decisions in the administrative, operational and engineering organisation is called for to an extreme degree, as more operational and technical emergencies are encountered in air transport than in any other enterprise. A government organisation would not provide such flexibility. Stereotyped departmental organisation, with set regulations, naturally move slowly and in consequence affect efficiency. Rigidity in financial matters, necessarily unavoidable in a government organisation, would hamper quick decisions. It would also be difficult in a State organisation to eliminate the inefficient and the semi-efficient without lengthy and elaborate procedure."

I may not agree entirely with what has been stated, but by and large two things must be ensured: one is that efficiency must be secured; secondly the control of Parliament must be guaranteed. After all it is the taxpayers' money that is being invested and if by variations of any form of management that responsibility to the Parliament is affected in any way, then, I think it is not desirable.

Now, so far as the responsibility of the Government to the Parliament is concerned, and so far as the responsibility of any particular organisation to Government is concerned, there are certain well-defined principles which have the sanction of experience over a number of years.

[PANDIT THAKUR DAS BHARGAVA *in the Chair*]

When the Damodar Valley Corporation Bill was under discussion this point was thoroughly gone into. There were two views: one was that the Corporation should be completely autonomous and the other view was that the Corporation should be controlled. A *via media* was found out and the Damodar Valley Corporation Act provided that the Central Government has a general power of issuing directions, but in regard to matters of day to day administration the Central Government should not interfere. At the same time provision was made in the Damodar Valley Corporation Act that every year Government should place before this hon. House an annual statement of accounts, the estimates as also an annual report.

Now, so far as this Bill is concerned. I find in clauses 35 and 36 the control of Parliament is referred to. An annual report in a prescribed form the clause says will be laid before this House. I hope that the form when it comes to be prescribed will contain some provision which will give an adequate idea as to the financial position of the Corporation or the Corporations. It should not merely be a report, but this House should have a correct appraisal of the financial position and the implications of its commitment in the future. Not that Parliament will every now and then interfere. Gradually the Government or the State is entering more and more into the field of production and hereafter it will not be one company or two. I visualise under planned economy when production is taken over to a considerable extent by the State, there will be more and more companies or corporations—or whatever may be the form of management. Their reports will be coming before us. That is another matter But at the same time, in theory as well as to some extent in practice Parliament should have some control and the real control to be exercised over the activities of these State enterprises must remain both in the matter of finance and in the matter of direction of general policy with the Minister concerned. I suggest that in the form to be prescribed, these matters which I have suggested should be included.

Having decided that it should take the form of a corporation, the question was whether there should be one corporation or whether there should be two corporations. The Rajadhyaksha Committee suggested a Corporation—a State Corporation. At the time when the Rajadhyaksha Committee was sitting the Air India International had just started. Therefore, to take the recommendations of that committee for the purpose of starting one State Corporation will not be fair.

Dr. Lanka Sundaram (Visakhapatnam): What about the Planning Commission's Report?

Shri Gadgil: If the experience of the Air India International had been before the Rajadhyaksha Committee, perhaps it would have come to a different conclusion.

The Planning Commission has also recommended that there should be one corporation. It may be possible to argue that there are advantages if there is one corporation: there are equal advantages if there are two corporations. But the approach of the Government, as I understand, is pragmatic and to some extent correct. No doubt there will be some over-all saving in expenditure and that amount is shown to be six lakhs. But the point is if Air India International has established some reputation we must make the best of it. At the same time if we merge the working of both the internal airlines and the external airlines into one Corporation, perhaps there may be some loss of efficiency. That argument which was advanced by the Minister concerned is worth considering. But after all, when he prefaces by saying that he has kept an open mind, that he is not dogmatic about it, that at least in the first initial years let us have two Corporations, let us gather some experience, and if experience shows that there is no necessity for two Corporations, he is prepared to merge them into one, I think then the utmost that those who oppose two Corporations can say is that the advantages and disadvantages are equal and balanced. I suggest that in a situation of that kind the final choice should rest with Government because it is they who are charged with the responsibility for the operation of the same. Let us therefore not start with a prejudice that

[Shri Gadgil]

because there are two Corporations constituted something of this kind and that kind will happen. Nothing of that kind.

At the same time provision is made in the Bill that there can be one Chairman of both the Corporations. I should also like to add that as far as possible technical directors may be common to both. Further, there are services, engineering and ground services, and as far as possible, wherever such common services can be made available there should be no duplication of effort and no waste of energy or money. I am sure all these things will be looked into by the Minister when he actually starts the working of the Corporations.

Then about the existing staff. We all know what happens in private enterprise—which, I should say, distresses us—where many sons-in-law and brothers-in-law are provided for irrespective of the qualifications. I have a list provided to me of persons (*Shri K. K. Basu*: Let us have it.) who are technically qualified, highly qualified, but who were not considered. It is not my intention to give them out here. (*Dr. Lanka Sundaram*: Why not?) But I have already intimated the Minister and he has already promised to look into it. When the question of integration comes, grade-wise, seniority-wise, I should also ask him to consider what steps should be taken in order to get rid of those who have been wrongly placed, just as he has promised to take into consideration those who have been wrongly dismissed. I entirely welcome his assurance that he would appoint a committee to be presided over by a High Court Judge to go into this question of integration. It is not so easy as some of us are likely to consider. When the States were integrated the question arose so far as their services in matters which were of federal importance were concerned. This question of integration is still troubling the Government and a part of it I have been asked to deal with.

Therefore, to begin with, it would be desirable that the whole thing should be gone into. When they try to rationalise, the first result is that you have to retrench. You cannot escape it. If we want economic rationalisation and avoid duplication, waste of energy, waste of money, all that can only be interpreted in the adequacy of the staff required for the purpose of the optimum work that the plant or the industry is capable of giving out. For example, there are nine or eight companies. There may be nine Chief Engineers. Now, obviously, it is impossible to keep all of them. There may be many other technical people, apart from the managerial section. When the committee goes into it I am sure that this economic rationalisation, as I call it, will result in reduction. The hon. Minister has promised that as far as possible he will see that the present staff is retained. I only want to add a rider that the competent staff will be retained and the retention will be judged only by merit and by no other consideration.

Now, having said that, there is the question of valuation of the spare parts and other material.

Mr. Chairman: The hon. Member has already taken twenty minutes and there are very many people anxious to speak. I would therefore request the hon. Member to kindly finish.

Shri Gadgil: I will finish, I will just say a word about compensation. This point was referred to as one of the controversial points. I think there are two aspects of it. One is the amount, the other is the distribution. So far as Government is concerned, Government can value the assets and fix the amount. The real question comes how should the distribution be between the various interests constituting the company. Yesterday Mr. Bansal made a good point that there are people who will be done injustice to, with the result that the capital market may be discouraged. I, therefore, suggest that if there is a preference share of Rs. 100, face value, and an ordinary share of Rs. 100, then the preference share should be considered as one share equal to two ordinary shares and the whole amount should be distributed on that basis. This is one of the formulae. I do not say it is the best formula. But some such formula should be evolved which will deal equitably with all the interests. I do not know how far a provision of that character will be *intra vires*. But in certain clauses the provisions of the Companies Act have been dealt with in a very summary manner. In clause 20 (4) of the Bill it is stated, "Notwithstanding anything contained......in the Indian Companies Act" about a contract of this character, that contract will be terminated. If this is *intra vires* of the Constitution I do not know if the principles of the compensation to be distributed among the various interests cannot be included in the Bill. This is my suggestion. I do not want to take further time of the House. I was under the impression that there was no very rigid time-limit. I have done.

Shri N. C. Chatterjee (Hooghly): There has been considerable discussion about the desirability or otherwise of having two Corporations. Our civil aviation industry, it must be admitted, has to a very large extent been inefficient and Government is justified in bringing forward a Bill like this. The whole question is should this Parliament go back on the Planning Commission's recommendation. I remember the Air Transport Enquiry Committee appointed by the Government of India recommended that all the companies should be merged into a single Corporation. The Planning Commission also put forward the same recommendation. Its exact language has been quoted in one of the dissenting minutes:

> "The Planning Commission...... said that 'economic operation will be possible only if the existing companies merge into a single unit'. It further pointed out that 'a single organisation in charge of internal as well as external operations can handle all the existing traffic with a smaller number of aircraft and also save in overheads and in other directions'."

There is bound to be a certain amount of duplication. Those who had the privilege of flying abroad know that the one thing of which India can be legitimately proud is the Air India International. That is a great asset and in the international world, this Air India International has goodwill and a reputation which it fully deserves. Possibly some people think that if we have only one corporation, there may be loss of efficiency. So long as the Himalayan Aviation was operating certain routes, so far as I remember, for 18 months there was no accident but when the Government took it over, in three months, there were three accidents.

Babu Ramnarayan Singh (Hazaribagh West): No surprise.

Shri N. C. Chatterjee: I hope that nationalisation will not lead to the loss of efficiency or to mere bureaucratisation but there will be an improvement all round.

I feel that there is some force in the recommendations of Mr. Jaipal Singh and Dr. Mookerjee that there should be Selection Committees for the appointment of officers. Mr. Gadgil was pointing out that if you cannot keep the Chief Engineers and all the different departmental heads in respect of all the 9 companies, you should see at the same time that there is some independent body operating which should see that there is no discrimination and there should be a proper deal.

The third thing which is troubling this Parliament and which has troubled the Members of the Select Committee is the question of compensation. That is the most difficult matter which really should arrest our attention. Mr. Chairman, in your minute of dissent, this thing has come out very prominently. You have started by saying that you find yourself in a very unfortunate and helpless position because you are unable to find a solution of a fairly difficult problem. It is no use ignoring the fact that it is a difficult problem but I humbly maintain that it is not incapable of solution. The schedule which has been appended to this Bill sets out principles of compensation and I think you are right when you say in your minute of dissent that on the whole it should be on a fair and equitable basis and it is a gratifying feature that most of the companies have agreed to accept this. I think one company is creating trouble. The most distressing feature is this. If you only go by that schedule, what will happen in the case of that company? Not one single ordinary shareholder will get one penny. That is the most distressing feature.

It has been pointed by you in your minute of dissent that in the case of Bharat Airways, the 25,000 ordinary shareholders will not get a farthing by way of compensation. There are 50 lakhs of ordinary shareholders if my figures are right, Rs. 50 lakhs paid-up capital contributed by the ordinary shareholders, 5 lakhs of shareholders paying Rs. 10 each and there are 30,000 preference shareholders contributing Rs. 100 each. That means Rs. 30 lakhs.

The Minister of Communications (Shri Jagjivan Ram): 30,000 shares. Not 5 lakh shareholders but 5 lakh shares.

Shri N. C. Chatterjee: 5 lakh shares, each share worth Rs. 10. That means Rs. 50 lakhs as total contribution and 30,000 cumulative preference shares, each shareholder paying Rs. 100. That means Rs. 30 lakhs.

Shri M. P. Mishra (Monghyr North-West): Owned by 6 persons.

Shri N. C. Chatterjee: My hon. friend reminds me that they are owned by 6 persons. The result is that practically these 6 persons will get the entire compensation and nothing

[Shri N. C. Chatterjee]

will be left for the ordinary shareholders. Now this is a very distressing feature and you have rightly pleaded for the **underdog by saying that something should be done in this respect.**

10 A.M.

Yesterday when Mr. Bansal was speaking, the hon. Minister intervened and said "I have no set formula ready here but as I have indicated, the compensation can only be on the basis that whatever percentage of their shares the ordinary shareholders get the same proportion may be applied to the preference shareholders. I am saying this just off-hand." I submit that is on the whole a fair and just way of looking at it and it can be done, legally.

The only thing we will have to do is to take one power which you have not taken in this Bill *viz.*, the power to acquire the shares. We know that the shares are not the property of the company. In the strict sense, they are the property of the individual shareholders. If you acquire these shares, then you can pay compensation. For the interests of the shareholders you can prescribe that among the different classes *inter se*, compensation should be paid *pari passu*. I think it can be done and I maintain that it will not infringe the Constitution. After the Bihar Land Reforms case came up before the Supreme Court, the law is fairly settled. The law is settled in this way. Under the Constitution of India, final authority has been given to the Legislature in the matter of paying compensation for acquisition subject only to the scrutiny of the courts in the case of fraud on the Constitution, *i.e.*, where the provision for compensation is merely a cloak for confiscatory legislation, there the court can intervene. Article 31 prescribes that either you put the amount of compensation in the Bill itself or you prescribe the principles on which compensation will be worked out. You cannot possibly fix the amount of compensation. That is impossible but if you put in there the principles whereby the interests of the shareholders will be acquired and compensation is distributed, that will be perfectly valid and that will not be justiciable by the courts. Courts cannot say that the Parliament has prescribed principles a, b, c, and d and they ought to have prescribed principles a, b, c, d and e. They cannot do that. They cannot question the quantum. They cannot question the rationality or the correctness of the principles of compensation prescribed............

Mr. Chairman: Does it mean that the shares are to be acquired, not the undertaking itself?

Shri N. C. Chatterjee: My point is this. I was thinking on the lines of the suggestion made by the hon. Minister that when a schedule is prescribed and the companies are accepting the schedules, there is no difficulty. But supposing one company creates difficulties because they do not want to accept the schedule or you find that by accepting that schedule, it would mean complete forfeiture of the ordinary shareholder's shares, *i.e.*, they will not get, in effect, one penny. What I am saying is that in such case Parliament should give the power to Government in appropriate case to acquire these shares. I have tabled an amendment. I hope the Minister has seen it. First of all I have suggested that there should be a new clause 16A. I know that the drafting is not perfect. It can be improved upon. The amendment reads as follows:

The Deputy Minister of Communications (Shri Raj Bahadur): Which amendment?

Shri N. C. Chatterjee: 117. After clause 16, insert—

> "16A. The Central Government may, by notification in the Official Gazette, declare that the shares of any shareholders or any class of shareholders, holding shares in any airways for any airline company specified in the notification, shall stand transferred to and vest in the Central Government on and from the date specified in such notification. Thereupon, notwithstanding anything contained in any other law, memorandum or articles of association, or any agreement, to the contrary, the right of management of the company shall vest exclusively in the Central Government and all agreements regarding management of the company shall thereupon cease."

My other suggestion is that there should be another clause, 25A, *i.e.* amendment No. 124:

After clause 25, insert—

> "25/A. *Compensation to be given for compulsory acquisition of shares.*—Notwithstanding anything to the contrary in the Indian Companies Act or any other Act, or in any memorandum or articles of association, or in any agreement

> in the event of the Central Government acquiring any shares or classes of shares in accordance with the provisions of clause 16A the compensation payable shall be determined by the Tribunal to be constituted under clause 25 in accordance with the following principles—
>
> (a) the value of the shares in question shall be determined on the basis of the value of the assets of the company—
>
> *Explanation*: (i) the undertaking of the company shall be valued in accordance with the principles specified in the schedule to the Act;
>
> (ii) any other assets belonging to the company shall be determined according to the market value thereof;
>
> (b) the total value of all the assets shall be arrived at after making due allowance for the debts and liabilities of the company to be determined by the Tribunal;
>
> (c) the compensation thus determined shall be equitably apportioned, by the said Tribunal, so that each shareholder irrespective of the class of shares held by him, receives the same proportion of the amount paid or advanced by him."

I was looking into the English Companies Act and also Buckley's celebrated book. I find that in England there are companies where there are preference shareholders. But, some Articles provide a clause like this:

> "If the company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively."

This shows that preference shareholders cannot always claim that they must be paid in priority or unconditionally in every case. Although I recognise that where the articles of association prescribe to the contrary, or under the agreement, they have got higher rights. But you cannot give any sanctity to that contract in all cases. Otherwise, you cannot nationalise. When you are nationalising and taking over management or squeezing out the managing agencies from this undertaking, naturally, you are interfering with contracts. Interference with contracts is the cardinal pivot on which you can nationalise. You must interfere with obligations, with rights and duties. Otherwise, nationalisation is impossible. In a certain company, maybe due to legal ingenuity, or due to some combination which was at that particular moment holding the whip hand over the company's affairs, they might have put in a certain clause in the articles or a certain kind of agreement. When we are nationalising, is it not our duty irrespective of that fortuitous circumstance, that we should prescribe some principles of compensation which would do justice to all? After all, they are the people who paid money for the purpose of building up the company. You are paying just compensation, fair compensation, compensation for the undertaking as well as compensation for any other business or any other assets which they were possessed of. You are paying X rupees as compensation for the undertaking, worked out on the principle of the schedule; Y rupees represent the market value of the other assets—you are paying that. I say X plus Y is Z and that Z should be distributed *pari passu* according to the amount paid irrespective of these technical or legal rights prevailing when preference shares were issued on the special terms on which they were issued. That is only fair. Sir N. N. Sircar, who is the author of the new Company law, says,—I am reading from page 80 of his Book:

> "A preference shareholder is not as a matter of right entitled to any preferential right over the assets in the winding up. Such a right has to be specifically provided for.
>
> The rights of a preference shareholder to recover the arrears of dividends in the event of a winding up is really dependant upon the terms of the Articles of Association relating to the shares and/or, to the terms of the resolution by which they are issued. Where there is no specific provision giving them a preferential right in the winding up, they cannot claim to receive the arrears in the winding up even though the distributable assets consist in part of accumulated profits."

You find there are different classes; there are different categories of preference shareholders. You cannot generalise. You cannot lay down rigid uniformity. Assuming that the preference shareholders of the Bharat

[Shri N. C. Chatterjee]

Airways are of the highest category or have the highest privilege, even then, Parliament will be perfectly justified in saying, "now that I am paying you just, fair, equitable compensation for all the assets and undertakings, I am entitled, at the same time, to say that there should be equity." Equality is Equity and there should be equality of sacrifice among the different classes of people who have built up the capital of the company.

Shrimati Sucheta Kripalani: (New Delhi): Considerable discussion has gone on this Bill and I am afraid repetition is unavoidable. But, the very fact that Members belonging to various parties are repeating the same things goes to emphasise the fact that there are some basic defects in the Bill before the House.

I know that in the Select Committee considerable improvement has taken place. But, in spite of that, our basic criticisms still remain. During the debate on the Bill before it went to the Select Committee, the main points of criticism were the need for one corporation, the quantum and the manner of compensation, and the position of the employees in the new set-up. These are the three basic questions on which Members have spoken a great deal. After the Bill has come back from the Select Committee, these main criticisms still remain, though there has been some slight improvement, I concede.

I will take up the question of two corporations first. Our friend Mr. Gadgil and also the hon. Minister, yesterday, emphasised the need for two corporations and tried to make out a case for retaining two corporations. The main argument advanced was that the Air India International has earned considerable goodwill and therefore, it should not be disturbed. We share that view. But, at the same time, we do not know whether the goodwill of the Air India International cannot be retained by the other method suggested by some of the Members in their minutes of dissent to the report of the Select Committee that there should be one corporation with two wings, one of which should deal with the external services. Another point that the hon. Minister made is that the Air India International might have entered into some contracts, and if we disturb them, there will be difficulties. That can be overcome by retaining it as a wing of one corporation. The third point that I could make out from the hon. Minister's speech is that when we are unifying the different operating units in India, large-scale readjustment or reorganisation will have to take place such as the standardisation of the terms and conditions of service, etc. and these problems might dislocate the work of the international operation and therefore, to avoid such disturbance, the Government would like to have two corporations. I am afraid all these arguments do not convince us. We are where we were. We do feel that the hon. Minister has given us no conclusive arguments for having two corporations.

The next question is, what are the weaknesses in the proposition. When this proposition first came up, I understand that the Economic Committee of the Cabinet proposed one Corporation. I am not sure; I will stand corrected if I am wrong. Then, the Planning Commission has gone into the matter deeply and has come to the conclusion that "economic operation will be possible only if the existing companies merge into one single unit." Again they say:

> "A single organisation in charge of internal as well as external operations can handle all the existing traffic with a smaller number of aircraft and also save in overheads and other directions."

Then, the Air Transport Enquiry Committee considered this matter and gave a similar opinion. These are very important bodies of the Government and they have gone into the matter, I suppose, with the greatest responsibility, and in all its details. After going into this matter, they have come to the conclusion that situated as we are, Indian economy would have the best advantage if we have one corporation. Therefore, I am afraid, the arguments advanced by the hon. Minister fall flat.

As against this, we have considerable advantages if we have one corporation. First of all, there will be an overall economy. The hon. Minister himself has admitted that if we had two corporations it will mean more expenditure by Rs. 6 lakhs a year. If there is one corporation with two wings the losses and gains of the two wings can be pooled and he economy of the Service balanced. The greatest advantage will be in the training of technical personnel. I am sure it will be admitted that the external services will have better equipment, better and different types of aircraft and more modern aircraft. Our technical personnel that will work in the external services will have all the advantages of handling them, while those working in the internal services will stand at a disadvantage. We know that the people who are serving on these lines have another function during the war time. We want to keep all our personnel in trim. We want them to be fully equipped for any emergency. Why do you want to put one section of technical personnel under a disadvantage? If we have one corporation, all technical personnel will have opportunities on the same basis.

Take other countries. Take Britain. In Britain, increasingly opinion is veering round in favour of one corporation. Take the volume of traffic. Here I have got comparative figures of the BEA and all scheduled companies of India.

I do not want to take much of your time, but you will see that the volume of traffic that we handle is much less than what they are handling. Therefore. there is no conclusive case for having two corporations.

Here. the figure is given that the fleet of aircraft with the B.E.A. is 130; on the scheduled air-lines in India 107. Revenue hours flown by the B.E.A. is 1,51,617 while we have 1,19,400. and the passengers carried by us is not even a third. and the miles flown is not even a third. Therefore, where is the conclusive case for having two corporations? Our suspicion is that Government has given in to very influential interests. and therefore they have agreed to have two corporations though this will be a burden on the Exchequer. This is further borne out by the fact that you are leaving the non-scheduled air transport in private hands. You are trying to nationalise air transport but you are hesitating to offend vested interests. If you want to have nationalisation, if you want entire State control, then go ahead. Why do you hesitate?. You want to take over from private firms. and at the same time you do not want to displease them. You are afraid. What are you afraid of? I would like to put this question.

Then, let us take the question of the constitution of the Corporation. I feel that we have to be extra careful when we are constituting the Corporation. The hon. Minister has said that he wants to "nationalise". What is the meaning of "nationalisation"? Nationalisation does not merely mean State ownership. Nationalisation has a very wider meaning. The connotation of the word nationalisation is something very wide. It means state ownership and also that all the parties concerned have a share in the management. If you are nationalising, then this Corporation that you form should represent all the interests concerned. What are the interests concerned? The management, the workers and the passengers. I would like to see the representatives—fullfledged representatives—of all the three sections to be there. If they are there. then I know that you are really nationalising, and the work will proceed smoothly and well in future.

Then there is another point to which our friend Mr. Gadgil drew our attention. Who are today managing most of the air lines? I do not put all the air lines in the same category, but at least some come under this description that I give. The people who are managing the air lines are not there because of their basic qualifications and inherent ability to run them, but because of patronage, because they are somebody's relations. When we are forming our Corporation. will that section of people have a predominant position? That is our fear, and that is our question. I feel an industry like this—the aviation industry—requires breath of vision and courage. Will we have such people there with modern mental outlook who will have courage to go ahead, courage to take progress in steps? Usually, the type of industrialists who control these ventures are those whose main motive is one merely of profit, not one of development of a national industry. They are—I would not use the word "speculators"—but they have got the mentality of speculators. They want quick profits at any cost.

Dr. Lanka Sundaram: Money shakhs!

Shrimati Sucheta Kripalani: I do not want to use that word. They want to get profit as quickly as possible, and at any cost. If that kind of people continue to predominate in your Air Corporation, I am afraid your work will not advance. So I hope that it will be a small compact body with at least a majority of whole-time people. In such a big venture, unless there are whole-time men, the work will not advance to satisfaction. We do not want to have the same conditions as are obtaining at present in the aviation industry. I would like to see representatives of all sections—an elected representative of the workers, and some representatives of the

[Shrimati Sucheta Kripalani]

passengers—so that we can really feel that we have nationalised this industry and we are going on the right lines.

The next point to which I would draw your attention is that of labour—the position of the people who may be displaced by this new arrangement. There is considerable fear in the minds of the people concerned, though I know in Clause 20 you have assured them that those who were there before the 1st July, 1952 will not be disturbed, and you have also in the Select Committee made a certain improvement to protect them against victimisation. We feel that after the reorganization is made, when you are really rationalising, at that stage you might want to do away with the services of a large number of people, as it happened in the Vishakapatnam dock affair. The same kind of thing might come about here at a later stage. The Minister has stated that he will appoint a Committee with a Judge to go into the question of retrenchment. We are pleased and it satisfies us to a certain extent. But I would like to know what steps the Government are taking to prevent the dismissal of people as has been done in the Airways India. Fortythree people have been dismissed there recently. What steps are you taking to prevent such things? If they are dismissed now, they do not come under the purview of the Act, though it is victimisation in actual fact.

Then I want to make out a case to show that there is no real case for retrenchment of the technical staff. In most of these air lines, except the Tatas, they do not maintain sufficient staff required for efficient-functioning. They do not appoint the regular number of technical staff that they ought to. For instance, in most of the companies, there is no separate staff of production and inspection. We can very well understand why we have so many accidents. If the production and inspection staff is the same, who is to check the work done. Many of the technical personnel have to work not for 8 hours, but 12 and 14 hours. If they are made to work for such long hours, you can understand what the standard of efficiency would be. This is a service where precision and exactitude are of very great essence because you can understand what danger it may lead to if the work is not carried out properly. When the technical staff is not sufficient already, if you maintain the same number of aircraft and run them, I am sure there will be no ground for retrenching the technical staff. The aviation industry is expanding. To show how it has been expanding, I can give you certain figures. For instance, in 1946, number of passengers carried was 1,25,000. In 1951-52, passengers carried was 4,35,000. So the industry is rapidly expanding. In an expanding industry, you have got to provide for its expansion. If you throw out technical personnel from their jobs, they will get rusted, they will not be fit for any work after some years. Therefore, I would urge that technical personnel should not be thrown out. Suppose you cannot give them enough work at the moment, please keep them even on half work, but retain them. Do not allow them to get rusted, but make provision for an expansion scheme. The same thing happened in England. After the War, when the B.E.A. came into existence, it came into existence mainly to absorb the technical personnel of the Transport Command.

At that time, they could not give them full time work yet they were retained. Later on, they were all absorbed and they are now doing good work for the nation. A lot of money has been spent in training these people. They are an excellent band of men. We have been full of praise for these people. We know they have a sense of responsibility and they are efficient and we are proud of them. Why do you want to throw them away and not allow them an opportunity to keep up their standard so that they can be of use in the future?

Let us go to the non-technical personnel. The non-technical personnel also are not so non-technical as we think, because this is a specialised kind of industry. They have been working all these years in this industry; they have acquired some kind of specialised knowledge. I know you have your difficulties. I know in administration when you amalgamate, you have to cut. But I am making some suggestions by which it may not be necessary for you to throw these people out of job. You may start new sections of activity under the new corporations. For instance, most of the booking is now done through private agencies. Instead of that you can have your own booking and traffic department where these people can be absorbed. Then, you can have your own purchasing section. Now you are purchasing most of your requirements through foreign firms. A good deal of money is going out of the country as commission to these firms. Instead of that, you can have your own purchasing section, stores section, insurance section and so on. In this way, they can be absorbed.

Therefore, I am afraid there is no case for reduction of staff. You can open new feeder services. I would also like to say here that if you reduce the fares and make them cheaper, your air transport will become more popular. You will get a larger volume of traffic and there will not be any need for you to reduce the staff

Now a days we depend for all accessories, spare parts etc. on foreign countries. A lot of money is going out of the country and our valuable foreign exchange is being wasted. But if we can start some of these activities here, we will be having small industries where we can absorb not only all these people but also those other unemployed. We have thousands and thousands of unemployed people. They can get opportunities for work.

I wanted to say a word about compensation, but I leave it out because there is no time.

I would just say a word about labour relations. In clause 40 you have provided something for labour relations. I feel your clause 40 is not sufficiently adequate. I do concede that labour-employer disputes should be adjusted by mutual agreement. We accept that principle. But the machinery that you have provided under clause 40 is not adequate. There is no time to go into details, but I would like to draw the attention of our hon. Minister to clause 19 of the Civil Aviation Act of Britain (1946). That gives you a better machinery and if you can introduce that......

Shri Jagjivan Ram: Labour Acts will take care of that. We are not taking care of disputes here.

Shrimati Sucheta Kripalani: You are making some confusion here. I would like you to look into the clause and then give your opinion.

Shri Jagjivan Ram: I have examined it.

Shri Nambiar (Mayuram): Then why should there be a Labour Relations Committee?

Shrimati Sucheta Kripalani: Yes.

Dr. Lanka Sundaram: He has kept behind his labour leadership.

Shrimati Sucheta Kripalani: The whole trouble is that you want to nationalise and yet you are fighting shy of labour. Are you afraid of the workers? Take this industry particularly. These people are not ordinary men. They are highly educated, very fine young men actuated by ideals of national service. They want to co-operate in your Scheme of nationalization. Why are you afraid of them? Why do you not take them into your confidence? If you are afraid of the unions as they are today, let there be Union Shop in this concern and let trade union activity develop on democratic lines. You can encourage them and you can take them into your confidence in this new venture. You are praising them sky-high. If you praise them, why should you be afraid of them? I have gone to other countries and seen how the workers and the management work together. Why is it not possible here? Because you are suspicious, you are afraid. Why do you not take their co-operation when you frame the rules and regulations for the service and take their advice? I am sure you will not repent if you go a little ahead. You have done a lot. You have accepted nationalisation—the principle of nationalisation. If you now go one step further and take labour into your confidence, I am sure you will have much greater success.

Regarding compensation, as I have no time I can only say a word. Mr. Chatterjee has very ably and very clearly placed his case. He expresses our view. We all feel it will be a great injustice and inequity perpetrated if the shareholders of the air companies do not get any compensation while the management, the richer section, get all the compensation. I know there are legal difficulties in the way. In the Select Committee they could not find a suitable solution. But as Mr. Chatterjee was quoting all the legal authorities, I am sure there must be a legal way out by which you can secure the interests of the shareholders and pay just compensation to these people.

Therefore I would say that this Bill should not be passed unless you have found out a formula to protect this section; otherwise it will be a great blow to your investment market. We have got the Five Year Plan. We depend upon the people for the money we want to invest for the development of the country. Unless you win their confidence, they will not give you any more money. This is the first big nationalisation venture that you are

[Shrimati Sucheta Kripalani]

undertaking and you have to have regard for the interest of the poor investor?

Shri Raj Bahadur: Sir, I thank you for giving me this opportunity to intervene in this debate. I will confine myself, however, to some of the broader points which have been discussed here.

One of the most important points which has considerably exercised the minds of the Members is about the advisability or otherwise of having two Corporations. Reference has been made over and over again to the Planning Commission and what it has written in this behalf. I would advert once again to that point because I think the whole argument with regard to the remarks of the Planning Commission seems to have been made on false premises (*interruptions*). The argument that has been made on the remarks of the Planning Commission has been made on false premises. The Planning Commission has simply said that 'enquiries have shown that under the present conditions of traffic load and intensity of operations, the existing air transport companies cannot work on an economic basis. With the introduction of the more modern aircraft mentioned above, which will be larger and faster and also more costly, economic operations will be possible only if the existing companies merge into a single unit. A single organisation in charge of internal as well as external operations can handle all the existing traffic'.

This possibility has never been scouted by or on behalf of Government—that this can be run by one Corporation. This is not at all scouted.

Shri B. S. Murthy (Eluru): You please proceed further.

Shri Raj Bahadur: 'Under a single organisation, for example, the requirements of additional aircraft......'. I do not want to go into details.

Of course I do not mind reading it out but it will be needless. The point is that they have only said that one corporation can function. We do not say that it cannot function: it has never been suggested. But the point is whether all the shock that is inevitable as a result of the change, and the dislocation, which will have to be faced in case we embark upon the heavy programme of integration of services and so on, should be faced at the present moment, when we are all anxious to maintain the reputation and the high level of efficiency of the external services and, specially when we know that we have to face a very keen competition from other foreign companies. Therefore, I would like to know whether it is advisable for us to face that shock or to take that risk just in the beginning. I think even this remark or observation of the Planning Commission shall have to be taken and understood or interpreted against a particular background. And that background has been furnished by an important observation made by the Prime Minister himself when he commended this Plan to the House. These are the words which he spoke on 16-12-1952 in the other House:

> "What you plan today may not be wholly up to date tomorrow. It has to adapt itself to changing circumstances......"

Shri B. S. Murthy: May I know from what you are reading? (*Interruptions*).

Mr. Chairman: Order, order.

Shri B. S. Murthy: On a point of order, Sir. Yesterday the Deputy Chairman of the Council of States had ruled that a speech delivered here could not be quoted there.

Mr. Chairman: Whatever the Deputy Chairman says is no authority here.

Shri Namdhari (Fazilka-Sirsa): Is that an order of God?

Shri Raj Bahadur: We can quote from any printed book or report, Sir.

Mr. Chairman: Yes, certainly.

Shri Raj Bahadur: "Therefore, if you approve of this Five Year Plan today and something happens a year later or two years later, which makes you think afresh, we think afresh and change it. Well, Sir, after two and a half years this plan is sought to be finalised by the Planning Commission and it has come up before Parliament for approval."

"Yet there can be no finality about this at any time and it has to be a changing dynamic thing—changing in approach, changing actually in the way it is given effect to, changing in accordance with popular reactions to it. It is from this point of view that I would like this House to consider it."

Therefore, I would submit that we can change if the exigencies of the moment so require. The exigencies of the moment are clear. We know if we were to mix up the two operations, internal as well as external, what will be the result. It is obvious that our people want the internal services to expand. As was rightly observed just now by the lady Member, Shrimati Sucheta Kripalani, they want that the fares should be reduced and air travel should be possible for the common man. We want that more and more towns should be connected by air so that it means expansion of the whole thing. Can it be done with the same efficiency and with the same level of amenities and other things that are provided in the International Air services?

An Hon. Member: Why not?

Shri Raj Bahadur: I think that if it were to be done as suggested by the hon. Member there then the fares cannot be reduced; we shall have to bear that in mind. Therefore I submit that if we keep in view the demands of people that the air transport industry should expand, that more and more towns should be connected by air services and that air travel should become more cheap, in the present circumstances, then with things standing as they are, it is not advisable, to have the two operations amalgamated together. If that were done the danger will be that one may improve at the cost of the other. It is thus only obvious that we should keep the two wings apart from one-another.

Some references were made by the hon. Member, Shrimati Sucheta Kripalani to some reported decisions and recommendations of the Cabinet Economy Committee. I do not know what is her source of information. I can only say that whoever has conveyed that information to her has very badly misrepresented facts.

Shrimati Sucheta Kripalani: What is it?

Shri Raj Bahadur: The hon. Member referred to some recommendation of the Economy Committee of the Cabinet. I only say that she has been very badly mis-informed. This question was never referred to the Economy Committee as such.

Now something she said about flying hours of our external services and that they constitute a very small fraction of the total flying hours done by all the Indian Companies put together I would say that our external services will not remain static. We visualise a growing expanding service and look forward to a. time when our planes and aircraft will be going to all countries. It is estimated that about 1957 we shall have 10,000 flying hours per month for our external services; that means about 120,000 hours per year. So if the hon. Member means that there will be no dislocation, no shock in the period of transition, I think it is too much to anticipate. There is bound to be dislocation. We are deeply concerned with the psychology of the travelling people. The figures of traffic show that Air India International has been more popular with foreign travelling public than even with our own people. As matter of fact, Americans and the Britishers want the A.I.I. more. The figures show that 50 per cent. of the total passengers traffic is comprised of foreigners. Supposing there is the slightest deterioration in standards......

Shri Joachim Alva (Kanara): I am sorry to correct the hon. Minister. The Americans use the TWA and the Britishers use the BOAC and when those planes are not available then only they come to Air India International.

Shri Raj Bahadur: That is a mistaken idea. I think I am stating the correct figures; 50 per cent. of the passenger traffic of the AII is composed of Britishers and Americans.

Now, if there is the slightest deterioration in the standards—we know the psychology of the passengers—there will be reduction in traffic. The revenue from the passenger traffic at present is about 2 crores. Even if there be a reduction of 10 per cent. in traffic it will mean 20 lakh of loss.

Then there were some arguments about over-head charges and costs, that 6 lakhs extra will have to be spent in case we have two corporations. That falls to the ground. when we compare 6 lakhs to 20 lakhs. In case there is the slightest fall in the passengers traffic it means a loss of 20 lakhs; and therefore, I submit that, as has been pointed out by my hon. friend, Mr. Gadgil, we do not blame those people who have got the view that there should be only one corporation. We do not question their sincerity or their *bona fides* on the point. Much can be said on both sides. But on the whole we have found that the balance of convenience and the balance of safety definitely lies on the side of having two corporations rather than one. (*Interruption*).

A question was put by Mr. Damodara Menon yesterday, 'Why not begin with one?' It was perhaps in reply to what the hon. Minister said the other day that, after some experience,

[Shri Raj Bahadur]

when we have got over the preliminary difficulties and effects of the change, we may review the position again and we may come down to one Corporation. I would put the question to him and ask, 'Why not begin with two?'

Shri Nambiar: Begin with three.

Shri Namdhari: Two already exist.

Shri Raj Bahadur: Two already exist? Two meet the needs of the situation. We have shown that there are two in other places or countries also. Some analogies and parallels were sought to be drawn with other countries and I would respectfully say that whether you take the case of Australia or U.K. or other countries—barring the Scandinavian countries where three countries have combined to have only one Air line or barring the Dutch KLM Air lines—most of the countries have got separate earmarked bodies for internal or short distance services. The external long distance services. The same is the case with France, U.K. and Australia and other countries. Therefore, I respectfully submit, that so far as this question is concerned, it should be now obvious that the balance of convenience and safety does lie in having two and not one corporation.

Again about organisational matters Dr. Mookerjee said, we should have a majority of whole-timers. We have purposely kept the relevant provisions of the Bill flexible enough so that we may adapt ourselves to the exigencies of the situation. It is not that we may not have a majority of whole-timers, or a majority of half-timers or a majority of officials or non-officials. We can do have it as we require. Nowhere, in other Acts also, any rigid provision in this behalf has been made. We have referred to the U. K. Act; we have referred to the Australia Act and after that we purposely have kept it flexible.

Mr. Nambiar raised a point about the representation of labour on the Corporation etc. Enough has been said on behalf of the Government by the Minister the other day in this behalf. I may only add that we are second to none in our appreciation of the work that has been done by labour and in our zeal to protect their legitimate interests. As a matter of fact, in the Select Committee, there was not a single proposal which was not considered thoroughly and discussed thoroughly and accepted when it was found to be acceptable. A charge was made that we have not heard the representatives of labour here. I think that is a very uncharitable remark. The Minister himself has seen some of them. There is no organised Union as such at the moment. The hon. Minister has seen some of their representatives and, as a matter of fact, we have got a letter and it was circulated to the Members and placed before the Select Committee. I think you can bear testimony to the fact that Mr. Nambiar was literally following para. after para. from that letter during the consideration and discussions in the Select Committee. So, it cannot be said that we have not heard or we have refused to hear them, or that we have not considered their representations. Certain things are said, which I think I can in all humility say, run counter to facts. They are mere figments of the imagination.

Shri Jaipal Singh (Ranchi West—Reserved—Sch. Tribes): On a point of order, Sir. May I have a clarification from you as to whether any Member —least of all a Deputy Minister—can make detailed reference to the behaviour and reactions of Members in the Select Committee?

Mr. Chairman: This point hardly requires any ruling. It is well known that as a matter of fact detailed descriptions of what happened in the Select Committee are not permissible But a reference of this casual nature that this matter was considered, is not such a detailed reference as to call for any point of order.

Shri Raj Bahadur: I have not mentioned even a single point contained in that representation. What I said was that the representation was given thorough and detailed consideration and not a single paragraph in it was omitted.

Shri T. K. Chaudhuri (Berhampore): May I ask one question of the hon. Deputy Minister? Does the hon. Minister know that there is a Federation of Employees of all these airlines and that has been recently registered. All the Unions have combined into one. Was there any effort made on the part of Government to hear them?

Shri Raj Bahadur: I am sure the hon. Member himself would have seen the representation which has been circulated on behalf of an *ad hoc* committee of employees. It cannot be said that it has been registered or recognised as such. The representation of that *ad hoc* committee was considered by Government.

Shri Namdhari: The hon. Minister may hear all the *bona fide* people; not bogus people.

Shri Raj Bahadur: With regard to non-scheduled operations, it has been said that we should take over simultaneously the monopoly of running non-scheduled services also. I may submit here, that an analogy can be drawn with the road transport. We nationalised road transport in certain States; but we allowed the taxis to ply; we allowed the trucks to ply. That did not mean that we prevented people from using the services of these operators for any odd jobs at odd times and places.

Dr. Lanka Sundaram: What a comparison!

Shri Raj Bahadur: May be a poor analogy. (*Interruptions*) I am prepared to answer any legitimate question which they put to me; but they are not putting any questions. They say that the analogy is poor. I would like to have a rich analogy from Dr. Lanka Sundaram, if he can give me one, but I think he cannot.

Shrimati Tarkeshwari Sinha (Patna East): The hon. Minister will reply to all these matters in detail. Will he please allow other speakers to speak?

Mr. Chairman: Order, order. It is not fair for any hon. member to interfere like this—that the Deputy Minister should not be allowed to proceed. It is for the Chair to see how much time is allotted.

Shrimati Tarkeshwari Sinha: What I said was that there are so many speakers waiting.

Shri Raj Bahadur: I shall definitely comply with the wishes of the hon. lady Member and finish in two minutes' time.

I will say only a word about non-scheduled operators. We have to leave scope for the development of those areas which have not yet been developed and we propose leaving it to the private operators. At the same time we shall definitely protect and safeguard the interest of the Corporations.

Another point made by some Opposition Members was about depreciation at full income-tax rates. They said that depreciation should be calculated at full income-tax rates—and on that the written down value should be calculated. In that case it will not be written down value, it will be only written of value, it will almost amount to expropriation. I am happy that the principle of compensation has been accepted by hon. Members opposite and I hope they will also accept the principle of just compensation.

Mr. Chairman: Shrimati Tarkeshwari Sinha.

Shri Jaipal Singh: Before the hon. lady Member speaks may I ask whether the Minister will reply at 11 o'clock or more time will be given to some hon. Members.

Mr. Chairman: It was decided yesterday that the hon. Minister will start at 11 o'clck, I think he may now start at 11-15 or 11-20.

Shri Jagjivan Ram: I shall take about 20 minutes. I shall start at about 11-10 and finish by half past eleven.

Shri Tulsidas (Mehsana West): As the Deputy Minister has taken a long time, none of the Members of our group has spoken. It is but fair that our group should be given a chance

Mr. Chairman: Ordinarily this question is never discussed in the House. It is the duty of the Chair to regulate the debate. I do not think such a question is relevant. I will try to do my best to give a chance to all the parties and all the Members, as far as time permits. Beyond that I cannot help.

Shrimati Tarkeshwari Sinha: I listened to the words of the hon. Minister of Communications yesterday and I found his speech was a most reasonable and sensible one. He has managed to give very practical arguments in support of this Bill and I was very glad that in spite of all the brilliance of eloquence with which some of my friends from the Opposition tried to arm themselves to defeat him in the battle of words, they failed to catch the eyes and ears of the practical and reasonable people.

The Bill, which has been chiseled by the Select Committee is before us, but unfortunately it has not been able to cool down the temperature of some of my friends. I have seen the note of dissent of the Members of the Communist Party. They have started, as usual, with the cry that the Bill

[Shrimati Tarkeshwari Sinha]

does not provide for complete nationalisation, as it leaves wide power in the hands of private individuals. The hon. the lady Member who spoke before me also referred to this.

Unfortunately there is an undeniable tendency in most of us who take an interest in world affairs to view everything through a telescope marked "Socialism" or through a telescope marked "private enterprise". But both expressions are examples of the confused thinking and ill-defined terminology, inasmuch as they inevitably apply it to all aspects of human activity, regardless of their sociological, economic or technological significance.

It is really deplorable that party feeling and party politics has played a part even in discussion of such a vital Bill, when what we actually needed was to approach the whole question without political bias and having some regard for the present day economic facts and figures.

Perhaps their misconception is due to the fact that they think that if Government does not interfere in the day-to-day management of the Corporation, the Corporation will become a playground for the capitalist game. But do we propose to make our air transport a mere appendage of the civil service? Does commonsense permit us to say that air transport industry should be run on the lines of the post offices under complete Government control

I am sure that every person who has got some practical knowledge of running a business or industry, or a commercial enterprise must agree with me that air transport industry in its present stage cannot be made into a full regular Government department.

The hon. the Lady Member quoted the example of U.K. and said that in U.K. there is more and more tendency towards nationalisation. But I would like to quote the words of Lord Reith who has very brilliantly dealt with this thorny question of nationalisation. He said:

> "The system is misunderstood and deliberately misunderstood very often, and deliberately misinterpreted both from the 'Left' and from the 'Right'. From the Right in that people will extend that ownership means management, which it does not and must not. From the 'Left' in periodic attempts to treat the public corporation as if, in fact, it were a Government department. The chief characteristics of the public corporation system is that it is established and owned by the State but not—repeat not—managed by the State. State control is over major policy defined once and for all and clearly, in the instrument of establishment, charter or statute, subject possibly to periodic, clearly defined and necessary directives Parliament approves the instrument which tells the Corporation what it has to do and defines safeguards if necessary. Parliament and the responsible Minister can watch what is happening and if they feel that the Corporation is not doing what it ought to do and is established to do, can take the necessary steps. Otherwise there should be complete freedom of management in the Corporation."

Then, Sir, in 1923 the Hambling Committee which was appointed in U.K. to investigate into the air transport industry also recommended that the Government should not exercise any direct control in the day-to-day management of the air transport industry except for the purpose of such checking as may be necessary as far as the financial responsibility of the Corporation goes.

The second most controversial point in this discussion has been about the existence of two Corporations. But I think that this approach is also due to unrealistic understanding of the whole problem. Most of my friends who have criticised this proposition seem to forget this fundamental fact, that this industry being a very very young industry there is a very keen desire on the part of the Minister to create a flexibility of approach to its problems; and the creation of these two Corporations is certainly going to help in this direction. They will offer independence of approach to the form, organisation and technique of operation and promote a healthy rivalry of one with the other which is so necessary for the efficient running of the Corporation itself, while at the same time checking the worst effects of destructive competition.

Reference to this matter has been made by many speakers and so I would like to take some time on this point. Many arguments have been put forward, the most important of them being that it will save overheads. But I am not at all sure whether the problem of overheads has been properly examined by the persons who have referred to this point. The advantages, if you take on the one side, of having two Corporations are so many that they easily outweigh the extra expenditure of Rs. 6 lakhs We must realise this fact that they have to perform totally different types of operation and that their aircraft requirements and traffic handling requirements are different and they have totally different problems to face. The Air India International shall always have some competition abroad, and so we are more likely to win the friendly battle with our foreign rivals if we have competition, definite but not unrestrained, in our own field. We are proud of this fact that we have got the best standard bearers for our International flying, and I will not be doing justice to myself if I do not give my heartiest congratulations to the Managing Director of Air India International, Mr. J. R. D. Tata for the excellent job he has done. It cannot be denied that it is he who has built this huge industry from a very ordinary one and has nurtured it with the greatest care, so much so that Air India International's reputation has gone so high in these few years. Why then, I want to ask, should his services not be recognized in this connection? We all know that it was only in 1947 that the Air India International was started, and the company started functioning with a paid-up capital of only Rs. 2 crores and an authorised capital of only Rs. 7 crores. The expenditure and the revenue figures came respectively to Rs. 69·20 lakhs and Rs. 51·95 lakhs for 1949—in only two years. Is it not a striking testimony to the efficiency of Air India International that an operation of the magnitude of India-U. K. was carried out, from the start, with remarkable smoothness and was able to make some profit in the next few years while the other air industries were not able to stand on their own legs?

11 A.M.

So I would submit that a decision whether to amalgamate it or not should never be taken on political ground, nor on sentimental ground; but only on technical grounds. Because, we must always bear it in our mind that the world is of a certain shape, it is not going to change, and centres of population of the world are, where they are. And if we analyse the situation from that standpoint we shall certainly come to the conclusion that it would be of the greatest help for the development of civil aviation in our country and for the development of communication system as a whole, if we do not amalgamate the two Corporations. Because, at present the greatest need of civil aviation is peace, and if we bring convulsions after convulsions in the existing industry, by having continuous changes, and allow our prejudices and dogmas and, penny wise and pound foolish mentality to triumph over our commonsense, then I am sure the edifice which we are trying to build up in the form of nationalisation is sure to tumble down.

Here I would like to quote the Labour Government's statement of policy published in a White Paper in 1945 soon after the general elections in Britain. They gave the following reasons for adopting the system of multiple Corporations: (1) The need of flexibility in meeting current conditions of international competition and (2) the necessity in the development of a new industry of this nature for encouraging different methods of approach to the technique of airline operations and the avoiding of placing sole responsibility in the hands of one managerial group. These arguments were greeted with the greatest of enthusiasm in England because most people agreed, that an empirical industry like air transport must have some chance of fair competition, and it can only be provided if there are two Corporation systems or if there are multiple Corporation systems.

The hon. the lady Member—she is not here at present—referred to the example of U.K. But I want to ask the hon. the lady Member: is it not a well known fact that the British airways services would not have their present status and their present importance, during so many years of development, had they been confined from the start under a single management of one Corporation? (*An Hon. Member*: Certainly not). With the history of the development of the British air services before us I cannot understand why some of my friends do not want to take any advantage of their working experience. But, I will not go into this matter any more. And now, I would like to suggest some points for the hon. Minister's consideration. First I would like to refer to the employment policy of the Government, specially with regard to the subject of personnel. The clause in the Bill which requires that provident funds of former companies shall be transferred to the Corporation is, in my opinion, going to lead to considerable discontent and complexities. Provident fund rules usually preclude an employee discharged

[Shrimati Tarkeshwari Sinha]

for an offence, from receiving the company's contribution to his fund. Let us suppose that two pilots A and B are transferred to the Corporations from the different companies. Now, Pilot A has served with a company which has a provident fund, and Pilot B has served with a company which did not run a provident fund. Now, these two Pilots commit the same type of offence and they are discharged from the Corporation, and the Corporation decides to withold the Corporation's contribution to their funds. Pilot A, who accumulated a sum of, say, Rs. 20,000 in his fund before the transfer, may thus lose Rs. 10,000 on discharge, while Pilot B loses a few hundred rupees only, that is to say, the Corporation's contribution to his fund, and so he will lose only very little. This is clearly unfair and so there should certainly be an undertaking by the Corporation to pay in full, to an employee, discharged for any reason whatsoever, the full provident fund transferred from the employee's previous company.

A few words more about the employees. The Bill lays down that any officer or employee who does not wish to join the new Corporation must give one month's notice in writing prior to the vesting date. This is to ignore facts. How is any officer or employee to know, prior to joining the Corporation, what appointment he will receive, on what location and on what terms and conditions, so that he may accept that appointment without any hitch. Therefore, I would suggest to the hon. Minister that he should bring forward definite equitable rules and procedure to accommodate these employees and to lay them on the Table of the House as early as possible.

I would have liked to refer to so many things that have been raised in the House but as you would not permit me to continue my speech, I would conclude.

Mr. Chairman: Mr. Meghnad Saha.

Shri K. C. Sodhia: What is the principle in giving preferences to speakers?

Mr. Chairman: I do not think it is right for any hon. Member to make a grievance that he has not been able to catch the eye of the Chair. After-all, there are about 500 Members in this House. It is not possible to give chance to every hon. Member. The hon. Member will excuse me. There is no desire on my part not to give a chance to hon. Members but at the same time, time does not permit that I should call every hon. Member to speak. So the hon. Member will appreciate the difficulty of the Chair also.

Shri K. C. Sodhia: I want to submit one thing. I was told yesterday to wait. I was told today also to wait. Well, should I be waiting till Doomsday?

Mr. Chairman: I do not want the hon. Member to wait till Doomsday.

Shri Lakshmayya (Anantapur): I request the Chair to give opportunities for all the people who are anxious to speak on this very important Bill. Hitherto, the fortunes or misfortunes of these air services were for a few individuals. Now it is the concern of the entire nation and the taxpayers. Therefore, let it be discussed at length.

Mr. Chairman: The hon. Member fully knows that with the consent of the House, the time table was fixed and it was decided that till 11-30, the general discussion will go on and then we will take up clause by clause discussion. I think it would be better if hon. Members who are anxious to speak will exercise their influence on those who are allowed to speak. When an hon. Member stands up to speak, he takes not less than 15 minutes. I ring the bell twice, thrice, and even then they pay no heed to it. I do not want that I should perforce make them sit down. I want you to realise that after all one hour consists only of 60 minutes. I cannot help it. I will close the general discussion at 11-30 and I request hon. Members to take as little time as possible so that other hon. Members may also be able to speak.

Shri K. C. Sodhia *rose—*

Mr. Chairman: Order, order.

Shri K. C. Sodhia: You said.........

Mr. Chairman: No question of my saying. The hon. Member should obey the Chair. It is very unfortunate that he has not been able to catch the Chair's eye but this cannot be helped.

Shri Meghnad Saha (Calcutta—North-West): This aircraft industry is not very old. In fact, it is less than 40 years old but as it is growing very rapidly, the very aircraft which is in a good condition today may be obsolete tomorrow and there are many other technical points which require very close attention. It is therefore very necessary that in the Air Corporations, there ought to be some technological and scientific experts on aircraft. I think they will be very helpful and they will be able to rationalise the industry and to boost this Corporation with all the technical points which may be necessary.

The second point to which I would like to draw the attention of the hon. Minister is this. We are talking of compensation to the different companies which have been doing this business for a long time. Now many speakers have said that the shareholders ought to get due compensation but you are not paying this from your pocket. It is from the pocket of the general tax-payer. It is therefore very necessary that the accounts of all these companies should be very carefully looked into. I am just bringing these points to the notice of the hon. Minister because it has just been published in a Calcutta weekly that a certain company which has been in this line for some years has produced two invoices. The invoices have got the same date, the same date of shipment and everything is identical. They have brought certain goods from some American companies. The amount given in one invoice is double of that in the other invoice. For instance, in one invoice the amount is given as 100 dollars and that is for payment to the concerned American Company. The other invoice which has been concocted mentions the figure of 200 dollars in place of 100 dollars and this is for submission to the Government of India so that they can get 200 dollars instead of 100 dollars. I do not know whether this is correct but this has been printed and the original photostat copies have been handed over to the Minister. This strategy is being resorted to by one of the biggest companies in this country.

Shri B. S. Murthy: What is its name?

Shri Meghnad Saha: It is printed. I have given it to the Minister.

Shri B. S. Murthy: What is the name of that firm?

An Hon. Member: Bharat Airways.

Shri Meghnad Saha: I cannot disclose the name.

Shri Jagjivan Ram: You will have to put that paper on the Table.

Shri Meghnad Saha: Well, you are talking of two Corporations. I think the idea of two Corporations does not appeal to me. There ought to be only one Corporation. I think the two Corporations are just to oblige one of these private owners, *i.e.*, to put one of them as head of one Corporation. It is just a compromise between nationalisation and private sector. I think the air services ought to be run as public utility concerns. It is for the good of the public and I think the financial jugglers of the type just mentioned should not be associated with this industry. Because they earn more money, Government pays more attention to them. Financial jugglers should not be allowed to dominate all these air services.

Just now tribute was paid to one of the financial jugglers. I do not agree with that. I know when Mr. Kidwai brought this night air mail service, this company tried its best to oppose it because it was cheap and it was reducing their income and so on. The point of view of the financial juggler is one thing, the point of view of the country is another thing. We want the air services to be popular, to be cheap, to be safe, to be technically as good as in any country in the world and this can be done if they are run as public utility concerns. With these remarks, I conclude.

Shri Jaipal Singh: I am afraid this Bill, as far as I am concerned, is a lopsided monument to the devastating policy of the Government for the last 4 years. I have already previously said on the floor of this House that there has been a change in certain departments and we do look for better things but there is no getting away from the fact that Government has deliberately brought about a situation where now it is compelled to carry the baby. It is not going to carry one baby, it is going to have two babies. Therein I disagree with the Government. Government have made up their mind and it is really fruitless to try to argue with the decisions which have already been made. If one takes any notice of what has been said on the floor of this House, in the Select Committee and elsewhere, Government have no right whatsoever to go against the volume of opinion that has been expressed in favour of having one Corporation, with two divisions, external and internal. I leave matters at that.

There are three points that I would like to stress. The first is that people who previously spoke in favour of one corporation have, somehow or other, overnight changed over to the idea, knowing that the Government was intractable, of the creation of two

[Shri Jaipal Singh]

corporations. They have completely thrown to the winds the wise or unwise decision of the Planning Commission. The young lady Member who just spoke was so loquacious and she thought that wisdom was all with her alone and none with the Opposition Members. That is the kind of **attitude, that is the kind of** insult that we give to the Planning Commission. This very House, only a few months ago, was loud and enthusiastic in accepting the Five Year Plan. The Five Year Plan language is deliberate, there is no room for any doubt whatever, that there must be one unified corporation. Previous to this, the Rajadhyaksha committee also made the same recommendation. My views are more in keeping with what the Rajadhyaksha committee said. That is, that there should be two stages in the process of nationalisation. The first should be rationalisation and then, if the conditions warrant it, there should be nationalisation. I want to make it very clear that I am opposed to the idea of nationalisation. But, since the Government are determined to take up rationalisation, I have only to stress my own views in regard to that.

The whole structure of the Bill as it is, shows that there should be one corporation. The argument that if the external services were not separated and divorced from the internal organisation, it would mean a complete deterioration in the external services, is no argument at all. What is the present situation? Let us ignore the eastern external route completely, that of Bharat Airways. What is the situation in regard to Air India International? Is it not one organisation that is running both? What about the ground engineering, maintenance and all that? Are there two separate organisations? No. If J. R. D. Tata can run an internal service and an external service, very efficiently and earn international reputation, how is it that the rest of India cannot do it? There is something much more than the arguments that have been produced on the floor of the House by the Minister and his supporters. All the same, if he sincerely believes that he is not surrendering to any political influences or individual pressure, he certainly will have my blessing, because I am not one who has a closed mind on this subject. Even in the Select Committee, I made it clear that if he could convince me that the creation of two corporations would have heavier advantages than the unification of all the existing companies I would be with him. But you know, you were the Chairman of the Select Committee, what points were made, and the number of speeches that were made in favour of one unified corporation and you know.........

Shri Raj Bahadur: Here, I must rise on a point of order. Here it is, what happened in the Select Committee and all the people who spoke for or against is being given out.

Shri Jaipal Singh: My hon. young friend committed the same crime when I raised point of order just now. He went line by line, clause by clause. I am only giving a broad picture.

Shri Raj Bahadur: I did not.

Mr. Chairman: It is no use condemning one man and then taking advantage of what he says. The hon. Member who is an old Member of the House knows the rules very well. I request him to abide by them. It is very difficult to keep within limits when a person comes to argue and in the heat of the moment he says much more than he ought to. I need only say this much to the hon. Member. He knows the rules well.

Shri Jaipal Singh: I am glad that my hon. young friend who was heated up has now cooled down.

The hon. Minister has been very generous in conceding three of the four main points for which I have been making a desperate struggle. First, he has accepted that there will be a Selection committee which will do the vetting in the matter of the selection of personnel, particularly in regard to the pilots and the technical staff. In the Press, from time to time, have appeared reports of the Minister's grandiloquent promise that everyone would be absorbed in the corporation. Now, he realises that that cannot be done. I personally feel that there is need for rationalisation. How on earth could we possibly absorb the entire personnel? That is an impossibility. But, I do think that as far as technical personnel are concerned, it is possible by changing the present yardstick in the matter of aerodromes, control tower, and then by reducing the flying hours, the two corporations may be able to absorb many more than would otherwise be the case. I would urge upon the Government to appreciate the fact that here is valuable technical material. Let it not go to waste. There has been a great deal of complaint in the matter of our control towers. I need not go into the deails of the disaster that occurred only the other day. That, we shall discuss in due course. What I would say is this. You have already subsidised so many people in their training. Please do not lose this valuable material. I do think that a majority of them could be absorbed by reducing the working hours either on the ground or up in the air.

In regard to the second point, this question of compensation for the assets and other property of the existing air companies that are being taken over by the Government, there have been some very unsavoury rumours. I am glad that my hon. friend is going to appoint an expert committee which will do the vetting in this matter. As the money has to come from the tax-payer's pocket, we do not want to take over junk and there is plenty of junk in this country. Go round the existing air companies and you will find for yourself—some of them, not all—the kind of tricks they are playing even at the present moment. Before nationalisation comes into force, Government should see to it that that only what is genuinely in the inventory of the existing companies is to be taken over and not what by clever book-keeping, etc., has been brought into it. I have an instance of a very important air company transferring lathes that this company does not want for another industry, so that one or the other corporation may take over some unwanted junk. That kind of thing could be obviated by the appointment of a committee, as promised by my hon. friend, a technical expert committee on which his own Directorate will have a major part.

Lastly, we have been worried; you yourself, Sir, have been a victim of that worry, about this question of compensation, whether the benefit that would accrue from compensation would reach the beneficiaries that we do desire to benefit. On that point, as you know, my hon. friend Mr. N. C. Chatterjee has tried to produce a formula which I do think meets the case, whereby, I think compensation will be as equitable as it could be made under the existing law without offending some of the protecting clauses that exist in the Indian Companies Act. I wholeheartedly support that because I myself have tabled an amendment to the effect that the shares should be compulsorily acquired and whatever is there should be pooled and out of that pool, money should be so distributed that ordinary shareholders are not left in the lurch.

In conclusion, all that I would say is this. I would certainly join with every one in giving the compliment that is due to all the personnel of the existing air companies that are being taken over. Certainly, Air India International have brought us credit. Coming as I do from Jamshedpur, where I have lived for nearly a decade, I am inclined to differ from the majority of Members here when they get up in the House and say Tatas have done this, Tatas have done that. Here is the daughter of the real founder of the house of Tatas, Mrs. Sushama Sen. It was her father who kept encouraging and kept aloft Jamshedji Tata when he was nearly tottering and running away from Jamshedpur. I only mention this because we are under the impression that this house of Tatas alone has built it up. If you look at the managerial list from the beginning to the present day, you will find who are the people who have enabled the house of Tatas to attain its present position. Certainly J. R. D. Tata has played his part. He is one of the leading airmen in this country. He himself is an airman, and has gained tremendous merit for this country. But, just because a man happens to be a very big personality, everybody else is forgotten. There is the story of the building of the bridge between India and Ceylon, built by the monkeys—they must have been Adivasis!—and the credit goes to Rama! Similarly, here let us not forget the real, unseen workers.

And, as far as my friend is concerned, I say to him: You have not listened to my advice on the major issue, but, nonetheless, my very best wishes to you.

Shri Morarka (Ganganagar—Jhunjhunu): Mr. Chairman.........

Mr. Chairman: I would request the hon. Member to be very brief.

Shri Morarka: From the several minutes of dissent which are appended to the Report of the Select Committee, two points seem to have commonly agitated the minds of most of the Members of the Committee. The first point relates to Compensation and the second relates to the number of Corporations.

Before I come to the first point of compensation which I regard more important and which I propose to deal with in somewhat greater detail, I would like to deal briefly with "the number of Corporations". It has been urged by hon. Members that there should be only one corporation because if we have two, efficiency and economy would be adversely affected. You know in this country we had so many different companies owning and

[Shri Morarka]

running the Railways. Throughout the country, we did not have less than 50 (Fifty) different Railway companies, and it is very difficult to say whether their efficiency was in any way impaired because of the number of Railway Companies that were running them. I admit we may have to spend a little more if we have two corporations than what we may have to spend if we have only one corporation, but, then, if economy is the only point in its favour, we must accept the recommendations of the Government who have given very careful thought to this problem. We should not mind this little extra expenditure in the beginning if that can ensure administrative convenience and other facilities. Besides, we should not forget that in England, whose example we follow invariably, they had three corporations to begin with in 1946, and even today, they have got 2 corporations.

Then I come to the first point which I regard a little more important, i.e., the question of compensation. The House will agree that whenever we nationalise any industry, we must provide reasonable and fair compensation for all the undertakings that we take over. The main principle of compensation is that it should be a compensation for every right that we acquire and for every piece of property that we deprive the other party of. This rule of law is the guarantee, among other things, of equal treatment for all citizens and freedom from arbitrary action by officials. The rule of law also safeguards the legitimate expectations of citizens against arbitrary disappointments inflicted by the State. That is why compensation is provided for deprived property.

It is true that no uniform method of compensation can be enunciated for all types of industry in the matter of compensation. Even in England, with the best of research the problem, they have not yet been able to evolve a common formula which can be regarded as satisfactory for all types of industry. When they nationalised different industries, they compensated them on different basis. When they nationalised the coal industry, they followed the method of "calculation of net maintenable revenue". Under that method, the net annual income of the assets of the Company, they were nationalising, were assessed, and that annual income was multiplied by the life of the asset which was also assessed. And the product which they thus got was the amount of compensation they paid to the owners of the collieries.

The second method which is popularly followed in England is what is known as the "Stock Exchange quotations". The main argument in favour of this is that compensation under this method is very simple to calculate. And secondly, it is said in support of this method that the price reached on the Stock Exchange is accepted as a fair basis of exchange by these private investors who sell to other private investors. This method was followed at the time of compensating the iron and steel industry in England. But the main criticism against this method is that the gross value of all the shares in an undertaking calculated on the basis of the current price on the Stock Exchange on any one day cannot be the same thing as the gross value of that undertaking as a going concern to its owners. Besides, the ownership and control of an undertaking are worth much more than the Stock Exchange value of the total shares of the undertaking.

The third method followed was to appoint a properly constituted Arbitration Tribunal, for the purpose of fixing the value of the shares. Both the parties had a right to appear before this Tribunal, argue their case and lead evidence, and whatever price the Tribunal fixed was, awarded as compensation.

The fourth method which was followed when the transport industry was nationalised was to value the assets according to the type, age and cost of these assets. But this method was not found fully satisfactory because it was discovered that even though the assets may be old in age the market value of these assets may be more than their written down value. That was the reason why at the time of compensating for the road transport vehicles finally they followed the basis of replacement cost *less* depreciation.

Besides all this, there was one method which was followed in the case of the Bank of England when it was nationalised and that was the maintenance of the former shareholder's annual return from the stock of the new nationalised undertaking. This method was not only considered adequate, but it was also considered eminently fair.

Of these, it is very difficult to say which may be more suitable for our case, but I hope the House would agree that the shareholders of the air companies must get at least that amount which they would get if they were to sell their assets in the open market. While, it is unfair to ask the Government to pay anything more than the actual worth of these assets, I submit it is equally unfair to ask these companies or the shareholders to accept anything less than what they would get if they sold their assets in the open market as willing sellers to a willing buyer. While it is most difficult to say that the formula suggested in our Schedule is unfair or that it is not reasonable, yet if under the scheme out of 36,000 shareholders more than 25,000 would get not a farthing, then I would submit that there is some room for the improvement of the scheme.

The reason why so much emphasis is laid on this question of compensation is not only for the shareholders of these air companies, or their quantum of compensation, but because this method is going to form a precedent for all time to come. With the growing demand of the people of this country for greater and greater degree of nationalisation, this question of compensation is bound to come to the forefront all the time.

Secondly, under our Five Year Plan we have provided for about Rs. 365 Crores from foreign investment. If this foreign investment is to come to this country, it would certainly require certain guarantees against nationalisation or expropriation. When I say guarantees against nationalisation, what I mean is that they would require a guarantee for adequate, effective and prompt compensation in case their undertakings are nationalised. It was decided at the Bogota conference as early as May, 1948, that this basis of compensation should be laid down for international loans. It was also decided at the same conference that a fair amount of compensation should be fixed not by the capital imparting country, but by an independent Tribunal. The hon. Members of the Communist Party, in their minute of dissent in Paragraph 12 say:

> "In our opinion, the interest of 3½ per cent. to be paid to the existing companies will be a heavy burden on the Corporation's revenue in view of the fact that the industry is already in a crisis."

Here I must frankly confess that I have not been able to appreciate this argument at all. I can understand if they say that the compensation should be less or that it should be calculated on a particular basis, but once that amount is determined and becomes payable by Government, the Government must pay it immediately. If for any reason the Government cannot pay the amount immediately, then the Government has to treat this unpaid amount as a loan, and must pay interest on it. Their argument would have been more forceful if they could suggest that the market rate of borrowing is less than 3½ per cent and what the Government proposes to pay is more than the market rate but in the absence of such a plea from that side, it cannot be seriously suggested by anyone that the rate of interest should be reduced in any way.

Shri Nambiar: We suggested 2½ per cent.

Shri Morarka: You may suggest anything. We have to consider what is the market rate at which Government is borrowing. If the Government cannot raise it even at 3½ per cent, what is the use of suggesting even 1 per cent less.

Once it is determined and the quantum is fixed, then the Government has to pay interest on the unpaid amount.

Two minutes more, Sir.

Mr. Chairman: I had already given a bell two minutes before. Now the hon. Member must not take......

Shri Morarka: Two minutes, Sir.

Mr. Chairman: No, one minute.

Shri Morarka: I wish to congratulate the hon. Minister for taking upon himself the responsibility attached to such a vital step towards nationalisation. There has been a constant demand from the public that all public utlity concerns must be immediately nationalised. It is only in obedience to this public mandate that Government is embarking upon this vital experiment. I call this a vital step because it is on the success or failure of this step that the future of the philosophy of nationalisation would depend. The failure of this vast experiment here in air companies would mean the dropping of nationalisation everywhere. If, on the other hand, the Government succeeds, the entire field of the industry would be open for the Government to go ahead with nationalisation at any speed it likes. The mind of the people is not yet clear whether nationalisation is or is not in the interests of this country. The Air Corporations are going to provide that clear cut example to make up their mind.

Finally I wish to conclude my speech by wishing the hon. Minister and the

[Shri Morarka]

Deputy Minister full success in this vast experiment on which they have embarked.

Shri Jagjivan Ram: There have been nearly a dozen and a half speeches on this motion and some of the points urged by one Member have been met by other Members. To that extent, my task has become light and that is why I agreed to take only 20 minutes, in my reply.

The question whether there should be one corporation or two has been raised by more than one Member. Some Members suggested: 'Why not start with one and then, if necessary, have two?' Perhaps they forget that the necessity of starting with two is, apart from other reasons, that in the internal sector we have to rationalise a large number of employees which may mean—I have no apprehension that it is going to result in a strike or other things, as my friend, Mr. Nambiar suggested—a certain amount of dislocation. When I say 'dislocation', I do not necessarily mean dislocation in services *i.e.*, the air services. That may require a tactful and careful handling separate from the international sector. So if we start with one corporation, we do not avoid that contingency. The argument to have only one now and if necessary have two, is not borne out by any logic or reasoning. That can apply only if we start with two and when the services have been integrated and stablised, then we can consider the possibility of integrating the two corporations into one.

Another point has been raised, as I said yesterday also, that the international sector is likely to have a surplus profit and therefore if you will have one corporation the surplus can be utilised to meet the deficit of the internal. Well, that is one consideration why there should not be only one corporation. Let the internal sector also try to develop itself, and though it should be run on the basis of a public utility service, it should try at least to earn its own way. It should not prove to be a drag on the earnings of the international service. And that is why there should be two corporations. The real crux of this question as to why there is so much feeling about only one corporation came out when it was said that there should be opportunity for training of the workers engaged in the internal sector. But perhaps hon. Members forget that that opportunity can be provided even if there are two corporations. I do concede that there are brilliant young men in the internal services also. But I cannot concede that all of them are brilliant. We will have to pick and choose for training in the external services from among those employees of the internal service who are really brilliant and who are capable of picking up the work there. I never suggest that by having two corporations all avenues to further training to the employees of the internal corporation are shut. But it will not be indiscriminate—that all of them should claim that they must have the same facilities, they must have the same conditions of service, they must have the same salary etc. So they will have opportunities. But we will start with two.

Much has been made out of the recommendations of the Planning Commission. My friend, Mr. Jaipal Singh —well I will not use the same tone and the same words as he did—puts great store by the recommendations of the Planning Commission. Yesterday I informed the House that at one stage we did consider that there should be only one corporation and the Planning Commission and the Communications Ministry both together agreed. That is true, and I have never said that these two services cannot be run by one corporation. They can be. But Members forget one thing. When Mr. Rajadhyaksha made his recommendations or when we considered the recommendations of the Planning Commission, we thought that the traffic and the services, as they stood today, could be run by one corporation. But when we finally decided that we would nationalise both the internal and external services and when we went into greater detail, we had some sort of a rough picture as to how to develop our international and internal routes, we found that the traffic and the routes would not remain static. They would have to be developed. Then we found that it would be advantageous if we had two corporations—one to deal with the international and the other to deal with the internal. Then we discussed that fully; not that the Planning Commission has been bypassed. Mr. Jaipal Singh spoke in a strain that might imply that the Planning Commission was being ignored and insulted by their recommendations being by-passed. That is not the fact. We considered that on every possible occasion along with the members of the Planning Commission and we decided that it would be advantageous to have two corporations to start with.

Some of the Members quoted the analogy of he Bharat and Air India, the Bharat running the internal service as well as one external service, and the Air India and the Air India International running the internal service and the external service, the Air India serving as the base for the Air India International in matters of repairs and other technical assistance. It is true, that the Air India does the repair and engineering work for the Air India International. But Members forget that the internal corporation when established will not have to deal with one or two routes as being dealt with at present by Air India. Neither the Air India International will have to deal only with the traffic and routes as it stands at present. but it will have to expand.

But even in that case it is never envisaged that the Air India International will necessarily have a separate workshop and a repair shop and there will be no co-operation between the internal and the international corporation. That is never the intention. And, that is why we have provided that the members of the two corporations may be common. We have provided that even the Chairman may be a common man. But. I do not think that it would be possible to have a common Chairman at present but the Members can be common Members. Therefore. there should be the greatest amount of cooporation between the activities of the two corporations and all possible chances of over-lapping in the activities of the two corporations will naturally be avoided.

It is very difficult at times to convince all in matters in which some Members have been obsessed by considerations which are not based on merits only but on extraneous circumstances. Now, it appears that some Members are obsessed with the feeling that these two corporations are being established only to get Mr. J. R. D. Tata. If that is the feeling, that is very unjust to the Government and to Mr. Tata. It has been decided on merits and on merits we suggested that it will be in the interests of our air services to have two separate corporations. I do not want to make it a secret that if it will be possible to get the services of Mr. J. R. D. Tata to be the Chairman of the International corporation, we will deem it as an advantage in running that service.

Shri K. K. Basu (Diamond Harbour): That is the correct position.

Shri Jagjivan Ram: We have not learnt the art of saying something and doing something which may be the case with others.

Shri Nambiar: Our suspicions are correct now.

Shri Jagjivan Ram: Yes, it is correct and what I am saying is correct and it has always been correct.

Shri Nand Lal Sharma (Sikar): The merits have not been given.

Shri Jagjivan Ram: It is on merits With some of my friends certain names are anathema; for some of my friends, certain slogans are anathema; for some of my friends, certain truths are anathema. And, if they refuse to look at truths, if they refuse to look at the practicability of things, no reason and no amount of argument is going to convince them. It is difficult to convince a man who refuses to be convinced. That is what I have to say about one or two corporations.

Then a question has been raised whether it is nationalisation or not. I do not know whether if we put a representative of labour in the management and leave it in any hands whatsoever, private or public, governmental or non-governmental, according to my friends it will become nationalised. I do not agree with that. My idea of nationalisation is that it is managed under the aegis of the State and the element and motive of private profit is not there. Once you eliminate the motive of private profit, then it becomes nationalised. I do not know what my friends mean by having labour representatives at all levels I have every sympathy with labour and my sympathy with labour is not a theoretical one. It is not based on certain theories read in certain books written by foreign authors,—it is based on something else...

Shri K. K. Basu: Yes.

Shri Jagjivan Ram:.........yes. —to which my hon. friends are always accustomed to.

It is a sad commentary on how labour in this country has been exploited not only by the employers of labour but also by the leaders who masquerade in the name of labour welfare. (*Hear, hear,*). There will come a day when they will get rid not only from the clutches of the employers but also from the clutches of...

Shri Nambiar: Ministers.

Shri Jagjivan Ram:......friends and leaders who exploit labour for their own benefit. Today they want representatives of labour on the corporations. They say the labour in this industry is organised labour. Where

[Shri Jagjivan Ram]

is organised labour in this industry today? There have been, unfortunately, unions in 9 or 10 companies: they have formed their *ad hoc* committees. They are still in the process of integration. Whether they will be able to combine themselves in one union or two or three unions, that depends upon two or three groups of the opposite benches.

Shri Nambiar: Question.

Shri Jagjivan Ram: Whenever truth is told they always use the question mark. (*Interruption*). My idea is to have on this corporation a person who is well known for his work among labour, for his sympathy and understanding of labour problems but who may not be necessarily a labour representative, a representative of the employees in the industry.

Shri Nambiar: That is the difficulty.

Shri Jagjivan Ram: If we want to take in representatives of different interests on the corporation to represent them, then why should be one member alone to represent labour, why not there be more members. Why not all the members on that corporation? I realise that if the corporation is to discharge its obligations and function efficiently, all the members including the Chairman must look to the benefit and welfare of the entire employees in that corporation Why should it be the sole monopoly of one member, why should the employees be consigned to the charge of one member of the corporations? (*Interruption.*)

Some Members have mentioned the names of Tatas. But it is very unfair. (*Shri K. K. Basu*: It is fair.) I say Mr. Tata has done many things for the employees than any other person my friends suggest. It is a fact. But, as I said, I am going to take representatives or persons who will be known for their enligtened outlook on labour matters; but, it cannot be said that they are there as representative of labour or of employees.

It has also been said that it is partial nationalisation because all non-scheduled operations are not being nationalised. Is there anything in the Bill—I put that question--to prevent the corporation from taking over all non-scheduled operations in this country. There is nothing. It is only practical considerations by which, for some time to come, we may permit non-scheduled operators to operate in certain parts of the country, where the corporation may feel that it is not feasible for the corporation to run the services at present. Ours is a vast country. There are large tracts, large areas which require development. It may not be possible for the internal corporation in the initial stages, when its hands will be full in integrating and raionalising not only the personnel but also the pattern of the routes, to undertake all the non-scheduled operations. So, some of the sectors may be left in the hands of enterprising private persons who may engage themselves in non-scheduled operations. As soon as the corporation finds that the time has come when it can take over all non-scheduled operations, it may take it over. There is nothing in the Act which can prevent it from doing so. Mr. Nambiar has expressed his apprehension. Perhaps he has not looked into the new clause that we ourselves provided in the Select Committee regarding the disqualification of the members of the corporation. His apprehension was that the non-scheduled operators will be helped by the members of the corporation who will be interested in them. Well, we can take care of them by the new clause that we have provided there. But whenever the corporation feels that its finances are likely to be adversely affected by non-scheduled operations in a particular sector, it is always open to the corporation to start either scheduled, or non-scheduled operation in that sector itself. We cannot go on the basis of the present figures of passengers carried or freight carried the non-scheduled operators, because in certain areas even the scheduled operators work themselves as non-scheduled operators. But when the corporation begins to function on those routes it will not be possible for non-scheduled operators to operate and thereby adversely affect the revenue of the corporation.

It has been suggested that there should be some categorical assurance that at no stage the present employees of the companies will be retrenched when taken over by the corporation. On this point, while making reference to Select Committee of this Bill, I made some statements. I want to reiterate that. In every rationalisation there is necessarily some surplus staff. In order to absorb that surplus staff, two or three alternatives are open. The first will be to expand or extend the activities of the corporation, by opening new routes, by increasing the activities of the workshops and thereby absorbing the technical staff that may be found surplus to the requirements of the present routes and working of the corporation. I am equally anxious as some Members that the technical staff as far as possible should not be thrown out of the corporation, I am sure the technical staff will be entirely absorbed by the corporation itself by expanding and increasing its activities. I am not equally sure about the non-technical staff. But certainly we will make every possible effort to absorb as many of the non-technical staff in the corporations themselves, or to find some other avenues of employment for them in other Government undertakings or private undertakings. That is what can be said at present.

It sounds somewhat paradoxical, Sir, when suggestions are made that you maintain your efficiency, maintain your economy,reduce your rates of fares and freight and at the same time you carry on all the staff, whether surplus to your requirements or not. That becomes very difficult to reconcile.

Shri Nambiar: That is nationalisation!

Shri Joachim Alva: This very point was raised very definitely in the House of Commons when the Air corporations Bill was discussed there and the clause that was moved though defeated ran: "The employees of the corporations shall not be dismissed on account of redundancy." The Parliamentary Secretary to the Minister of Civil Aviation said: "We shall treat this matter of the redundant staff on the level of human beings." You treat them as human beings and not dismiss them. I want the hon. Minister to be a little more sympathetic about the redundant staff.

Shri Jagjivan Ram: My hon. friend Mr. Alva has raised the question of human consideration.

Shri Joachim Alva: I have quoted from Hansard.

Shri Jagjivan Ram: He may require the Hansard. But the problem does not require any quotation; they are patent facts. Whether he quotes from Hansard or from other authority, that does not change the situation. The situation is so obvious that it does not require to be reinforced by any authority from foreign countries.

12 NOON

Shri Joachim Alva: You have copied the provisions of your Bill from the British Act.

Shri Jagjivan Ram: Mr. Alva may be in the habit of quoting these, because he has no confidence in what he himself says, but I will not go only by quotation.

Shri Joachim Alva: I have full confidence in the patriotism and ability of the hon. Communications Minister.

Shri Jagjivan Ram: I have said it quite explicitly that so far as the technical or non-technical staff is concerned, it will be our earnest endeavour to absorb as many of them in the corporation as we can by increasing the activities of the corporation. I go a step further. (*Interruption*). I do not mind whether you question or not: that does not affect me in any way. I go a step further and say that so far as the technical staff is concerned, I personally will see that all of them, except of course those who are not found suitable—that qualification will always apply—are absorbed in the corporation. But I cannot be equally sure about the non-technical staff. I have been examining this matter and I found that the surplus will be just at the top and at the bottom. That is the position at present.

Shri B. S. Murthy: What will be their fate afterwards?

Shri Jagjivan Ram: The hon. Member may apply a little more of his imagination.

I say that I am not equally sure about the non-technical staff. Certain suggestions have been made. Of course, they will be examined and all possible efforts will be made to expand the activities of the corporations so that we may absorb the non-technical staff as well. If we cannot absorb all of them in the corporations, naturally the human considerations, which Mr. Alva, has raised, will be before us and we will try whether we can divert some of these surplus staff to other undertakings of the Government or other channels. That is what I can say on this occasion.

Shri Damodara Menon: Will this assurance apply to the employees who are being retrenched now?

Shri Jagjivan Ram: That question has come before me. I think there are many dangers in that question. We considered about the staff employed after June 1952 in great detail. Their cases may be considered by Government. But I cannot give any categorical assurance in respect of the staff employed after June 1952. Those who have been *bona fide* employes their cases will be considered. But there have been many cases where these employments or recruitment of the staff after the question of nationalisation came in the air has not been quite *bona fide* and therefore I cannot give any categorical assurance that all the employees who were employed after June 1952, who are today in service or have been retrenched, will be taken by the corporations.

Shri Nambiar: Here is a telegram from Calcutta: "Forty-three already retrenched... "

Shri Jagjivan Ram: I have also received that telegram.

About spares and stores, this question was raised yesterday and Mr. Jaipal Singh said that junks are being bought in to be passed on the corporations. Well we know that we are dealing with companies. That much we are aware.

Shri Matthen (Thiruvellah): What does it mean?

Shri Jagjivan Ram: It means whatever it may mean. It is left to the understanding of my hon. friend. He may interpret it as he likes. But we are aware that we have to deal with companies. Therefore, we will have to take such precautions as are called for and we have been taking those precautions.

It was suggested that parts and spares which have been worn out, whose life may be only for a few hours, may be passed on to the corporations. It is not so simple. Spares and parts are used either for engines or aeroframes. Parts for aeroframes must be serviceable for one year. Parts for engines must be serviceable for a number of hours which are prescribed for these engines. It may be 500 or 800 hours, or things like that. And if a spare or part, as it is or as it will be after necessary repairs, does not satisfy that condition, it should not be treated as serviceable. So long as our experts are there to check this I do not think we should be nervous on that account. We will be taking all possible precautions in that direction.

A few words about compensation. I have been equally anxious to safeguard the interests of the ordinary shareholders. And I am reasonably sure that in the case of all the companies except Bharat it will be possible to protect the interests of the ordinary shareholders. Bharat's position is a peculiar one. Whatever alternative we have been trying, we find that that is not enough to meet the situation. I told you yesterday that I am consulting the Attorney-General.

Shri Gadgil: You can still use your good offices.

Shri Jagjivan Ram: We have not been able to find any solution up till now. I was very carefully listening to the argument of the hon. Member Shri N. C. Chatterjee. We may discuss with him (Shri Chatterjee) further but I still feel that his proposal does not provide the solution. (*Shri Matthen*: Has the Attorney-General replied?). Yes, Up till now we have not been able to find any solution. I was looking into the memorandum and articles of association of Bharat Airways Limited. The only ray of hope I could get was that under this memorandum the activity of the company is not restricted only to such works as are connected with air transport but they can engage themselves in other activities also. Now, it is up to the shareholders to decide by a majority that after the company gets the amount of the compensation the company should engage itself in some other activities and should not liquidate itself. (*An Hon. Member*: They are going to wind it up). Then something remains for the ordinary shareholders.

I am very doubtful whether we can find any solution, which could not be challenged on legal grounds, to safeguard the interests of the ordinary shareholders. We have not, as yet, been able to find any suitable formulae. If any hon. Member can find a way out he may suggest it. Of course, as I said, I have been myself very anxious to find a solution which will protect the interests of the ordinary shareholders of Bharat. It was suggested, "Why not purchase the shares compulsorily?" Again that question remains. In respect of ordinary shares we can purchase them at market quotations. What about the preference shares? Whether we can, whether Parliament can legislate to this effect and whether it will not offend against law to say "You purchase the ordinary shares at 33 per cent. and also the preference shares at 33 per cent."—that is the point. I have been getting this position examined and we found that it is not possible. Similarly we have been examining this whether we can distribute the amount of compensation *pro-rata* or in the same proportion among the ordinary shareholders and the preference shareholders. To be explicit, suppose we pay Rs. 2-8-0 for an ordinary share of the face value of Rs. 10, whether we can pay only Rs. 25 for a preference share of the face value of Rs. 100—that is the point. And we have not been able to find a solution yet. The problem has been exercising our mind ever since the Select Committee met and even before that, and the only thing I find, is that if the ordinary shareholders of Bharat take courage, meet and by a majority decide that the company should not be liquidated but should divert its activity in other directions as provided in the memorandum and articles of association, then perhaps their interests may be safeguarded.

I think I have taken a few minutes more than what was rationed for me. The other thing about compensation is this. I have already dealt with it yesterday and I do not want to deal with it today. Perhaps Mr. Menon was confusing himself when he said "You acquire only the shares, why should you take unuseful or rotten equipment and parts?" He forgot that even if we get the shares we will get all those things. It is not as if we simply get the shares and leave aside the other assets. If they are rotten equipment, they will get the price only for that. In respect of several companies there has been no quotation of shares in the market. The question arises how to determine the prices of their shares. Therefore, considering all these things we hit upon the formula that we have included in the schedule. And that we regard as an equitable one.

On the one hand we express so much concern and solicitude for the middle-class ordinary shareholders. On the other, we forget that in all these companies there are only ordinary shareholders—barring Bharat and, to some extent, the Indian National Airways. In no other companies there are preference shareholders: all are ordinary shareholders And many people know that most of them are middle-class people, either lower middle-class or middle middle-class or a few, may be, of upper middle-class. So we have tried to be just and fair in determining the principle of compensation as embodied in the schedule. I think I have briefly dealt with the questions raised.

I will again appeal to the hon. Members to look to the various provisions of the Bill and its objective. I still feel that we are going to take a heavy responsibility. In regard to nationalisation, personally I have been very much in favour of nationalisation. I have been very enthusiastically trying to expedite the passage of this Bill and this scheme. But the nearer comes the time when I have to shoulder the responsibility I realize the enormity of the task I am going to undertake. The more so in view of the fact that we are going to undertake an industry which up till now, from the economic point of view, has not proved a success. There is no doubt that our young men, technical and non-technical, have proved their efficiency. There is no doubt that the record of efficiency of our air services, internal and international, is one that we can be proud of. But the economic side of the industry has been one which causes anxiety to anybody. Therefore, the nearer comes the time when we will have to shoulder responsibility, the greater becomes our anxiety. I therefore appeal to every side of the House to extend their co-operation and to look at this Bill objectively so that we can discharge our obligations in a manner which will ensure a smooth and planned progress towards the nationalisation of other industries as well.

[MR. DEPUTY-SPEAKER *in the Chair*]

Dr. Lanka Sundaram: May I put one question to the hon. Minister?

Mr. Deputy-Speaker: He has argued for an hour and a half. What the hon. Member has not gathered all these days, is he going to gather in two or three minutes? The question is:

> "That the Bill to provide for the establishment of Air Corporations, to facilitate the acquisition by the Air Corporations of undertakings belonging to certain existing air companies and generally to make further and better provisions for the operation of air transport services, as reported by the Select Committee, be taken into consideration".

The motion was adopted.

Mr. Deputy-Speaker: We will take up now clause 2. Hon. Members who want to move amendments may kindly tell me.

Clause 2—(*Definition*).

Shri S. V. L. Narasimham (Guntur): I beg to move:

In clause 2, omit part (iii).

Shri M. S. Gurupadaswamy (Mysore): I beg to move:

In clause 2.—

(1) in part (iii) omit "either of"; and

(2) in part (iii) and wherever it occurs in the Bill,— for "corporations" substitute "corporation".

Mr. Deputy-Speaker: Amendment moved·

In clause 2, omit part (iii).

In clause 2,—

(1) in part (iii) omit "either of"; and

(2) in part (iii) and wherever it occurs in the Bill,—for "corporation" substitute "corporation."

Shri Damodara Menon: I beg to move: In clause 2, for part (iv) substitute '(iv) "Corporation" means "Indian Airlines" established under section 3'.

Mr. Deputy-Speaker: Amendment moved:

In clause 2, for part (iv) substitute '(iv) "Corporation" means "Indian Airlines" established under section 3.'

[Mr. Deputy-Speaker]

Hon. Members should be as brief as possible and not once again repeat what has been said already during the course of the debate in the earlier stage and after the report of the Select Committee.

Shri M. S. Gurupadaswamy: I want to raise one or two points mentioned by the hon. Minister while replying to the debate. With regard to two Corporations he said that merit alone was taken into consideration and after due consideration, he arrived at the conclusion that instead of one, there should be two corporations. He has not given us any idea regarding the question of merit which weighed at the time of consideration of this question. Time and again we have argued that the idea of having one corporation is more rational than the idea of having two corporations and we also said on the floor of this House that there is a rumour going around that some of the existing companies will be imported as managing agents to the corporation. We made a strong plea that the records of the managing agents of these companies are not at all bright and they should not be given any place in the corporation We said that after looking into the history of management of these companies, we have come to the very painful conclusion that they have been terribly mismanaged. The companies got aeroplanes, spare parts and other accessories at a terribly cheap rate from the Disposals Organisation and time and again the Government also came to their rescue and helped them by subsidies. In spite of this help, they could not manage their concerns well. This happened even after the gradual development of this transport industry. If you look at the figures you will see that for the last 4 or 5 years, there has been a considerable growth in this industry, in the number of passengers carried, in freight and in the mileage covered. If you take any one of these, you will find that there has been a gradual growth and expansion and in spite of this gradual growth and expansion, the managing agents could not manage their affairs well. They have sustained considerable loss and I charge them that this loss or mismanagement is entirely due to them. I say that there is no reason for having two corporations and I say that these two corporations are intended to give places to those men who are in the companies. I found on the part of the Minister no argument which has convinced him for setting up two corporations except this. He rather exposed himself in his speech and justified our suspicions that they are importing Tata and making him as Chairman and it is for that purpose alone that they are having two corporations. We say that big businessmen should not be given any scope to play their part in the nationalisation of an industry and the Minister should not behave like a lackey of business. That is our argument. We protest against a private element which had played a devastating role in the industry being entertained and given a most important role in the nationalised sector. By doing that, by importing such private agencies, by importing people who have already failed in their enterprise we will be destroying the very purpose of nationalisation. It is not nationalisation at all. I can think of a corporation which is manned only by efficient people. We know the record of their failure in the past.

Mr. Deputy-Speaker: Are you going into the personnel?

Shri M. S. Gurupadaswamy: So far as the amendment is concerned. I am saying that the purpose of the two corporations is not correct.

Mr. Deputy-Speaker: For once, twice, thrice, the House has accepted the idea of two corporations. What is the use of going on repeating the same thing? At this stage we are not entering into the question of personnel. Enough has been said regarding the existence of two corporations and this has been answered. It is another thing for the House to be satisfied or not satisfied. The same arguments need not be repeated again.

Shri M. S. Gurupadaswamy: I only referred to this point......

Mr. Deputy-Speaker: The hon. Member is unfortunately repeating many times.

Shri M. S. Gurupadaswamy: I am only pointing out that the idea of having two corporations will prove fatal to the nationalised industry. Even now it is not too late for the Minister to reconsider the whole issue and agree to our amendment that there should be one corporation, one agency, one control, one ownership; that there should not be two wings or two areas of operation and there should not be two sets of organisations for this purpose. I urge upon the Minister to agree to this idea of one corporation and do away with the reactionary idea of having more than one corporation that would destroy this industry. With these words, I close.

Shri Damodara Menon: May I say a few words, Sir? I am not going to repeat the arguments. Here clause 2 is a definition clause. I refer to (iv). My difficulty is this. The main clause which deals with two corporations is clause 3. If we leave this definition alone, then, probably it may not be right for us to say that there will be one corporation when we discuss clause 3.

Shri K. K. Basu: We may discuss clauses 2 and 3 together.

Mr. Deputy-Speaker: I am not saying that the hon. Members are barred. Let them say what they want. Let them not repeat all the arguments that have been laid before the House, once, twice, thrice.

Shri Damodara Menon: I want to have a doubt cleared. In this definition clause. I am moving an amendment to say that instead of 'corporations' we may have 'corporation.' If vote is taken on that, will it be relevant afterwards?

Mr. Deputy-Speaker: Once for all, it is decided. If there is only one corporation, other things will follow and they will be modified. If there are two corporations, they will stand.

Shri Damodara Menon: Further amendment to clause 3 will be barred?

Mr. Deputy-Speaker: Will be barred on this matter.

Some Hon. Members: May be taken up later.

Shri Raj Bahadur: Amendments have been moved and speeches have been made. It will have to be considered now.

Shri Nambiar: I have an amendment to clause 3. It will have to be taken up............

Mr. Deputy-Speaker: Let us dispose of this first. The rule is this. If we pass a particular clause, in so far as a later clause is not covered by that, to that extent, the laer clause would not be barred. Otherwise, it would be barred.

Shri K. K. Basu: It is covered.

Mr. Deputy-Speaker: It is barred. The hon. Member can speak in respect of both. No new arguments?

Shri Damodara Menon: I have moved the following amendment:—

In clause 2, for part (iv) substitute, '(iv) "Corporation" means "Indian Airlines" established under section 3.'

Shri Nambiar: Just now we heard the eloquent speech in reply made by the hon. Minister and I want one point to be cleared by him, that is, with regard to the dislocation aspect of his suspicion. He says that there will be some sort of dislocation. I do not want to use the word 'strike' or any language of mines. I want to use his wording. What does he mean by dislocation? He says that he wants two corporations and that the international services should not be interfered by any dislocation that may happen in the internal side. I want to ask him this question. Does he mean any strike or does he think that there will be any sort of action on the part of labour that will dislocate, or any breakdown? Is he going to do anything which will cause either a break down or a strike or discontent among the staff. I want to know whether he is going to indulge in any large scale retrenchment or retrenchment to the extent that would create a sort of feeling of discontent among the staff. Today I have received a telegram—I have referred to this telegram—which says, 'under clause 20 Air Corporations Bill, 43 served discharge notice, request withdrawal, request intervention.'

Shri Raj Bahadur: How is it relevant?

Shri Nambiar: That is relevant. The relevancy is, you are anticipating dislocation. What is this dislocation? You are having this dislocation aspect under consideration for having two corporations. Therefore, I seriously suspect that there is going to be some sort of an attack on labour and you are providing two corporations to see that some day or other, you can circumvent. To that extent, I want a clarification from the Minister. Of course, the hon. Minister gave certain assurances. The assurance i so ambiguous that anything can pass through it or besides it. Any camel can pass through the needle's eye. That is the sort of ambiguous statement or assurance that he has given. We cannot take it as an assurance. Then, he may ask the question, are you interested in the economic conduct of the corporation or the air services, or are you interested in keeping all the men employed. My interest is in both. We must have economy. We must have safe cheap travel. At the same time, the industry must be developed and so expanded as to accommodate all the existing staff and to accommodate more so that people will have the benefit of cheap and safe travel. Then only is the spirit of nationalisation achieved. Otherwise, nationalisation is only to help certain interests, not the interests of the people at large, nor the interests of the workers who are employed. That is my trouble. Therefore, the hon. Minister must try

[Shri Nambiar]

to satisfy us and tell us that the industry will be expanded and there will be no retrenchment and the people will be benefited. If he says this, we will certainly consider this question of two corporations. Otherwise, we find that this two corporations matter is dangerous and is against the interests of the common people and the workers.

Shri V. B. Gandhi (Bombay City-North): May I just say a few words, Sir, as to why we are in favour of having two corporations?

The hon. Minister has offered some kind of a compromise by saying that he would be prepared to review his position in respect of two corporations after he has had some experience of some years. I think the hon. Minister has been a little too accommodating for some of us. He is a very genial gentleman I for one would not compromise on this issue. I am one of those who, if this Bill had been brought forward with a provision for only one corporation, would have suggested that there should be two corporations. The idea of two corporations would be very clear if we only reflect a little upon the kind of functions that would be necessary for these two corporations to perform. Because, after all, the nature of these functions will depend upon whether the corporation is entrusted with the operation of internal services or whether it is entrusted with the operation of international services. I will take just one illustration. Among other things, these corporations will have to decide the question of fares and freights. It will be admitted that whether the service—internal service or international service—is going to be a safe service will depend upon how wisely this question of fares and freights is decided. Whether the service is going to expand will depend upon how this question of fares is going to be decided. Whether the service is going to expand to meet the expanding needs of the internal service or the international service is also going to depend upon how this question of fares and freights is going to be decided.

Now, let us see how this simple question of fares and freights, when it comes to be decided for each one of these two corporations, is of a fundamentally different nature. What I mean is that the considerations that will prevail in deciding this question of fares and freights of these two corporations will be fundamentally different. Now, the Rajadhyaksha Committee, on this question of fares and freights, has stated that there should be four factors which should be considered as basic factors in deciding fares and freights. Here are these four factors.

First is the cost of operation plus freight. That will be common to both the corporations. The second is the capacity of the traveller to pay. Here, it is very clear that the capacity of the travellers—the majority of the travellers who will be using our domestic services—is so different, so distinct from the capacity of the travellers whom we expect to use our international services. Then the third basic factor that should be considered in deciding fares and freights is the need for expansion of air travel. This is a very important consideration—the need for expansion of air travel. It is obvious that the needs of our domestic services will have very little relation to the needs of our international services. That is number one. Number two is that the domestic services are going to be a monopoly concern. The corporation is going to have an absolute monopoly of providing scheduled domestic services. When the question of expansion is to be dealt with under monopoly circumstances, the considerations that should weigh will have to be entirely different. In the case of our international services, we do not enjoy a monopoly. In the international sector, we shall have to meet a terrific competition with services run by a number of countries, highly efficient, highly capitalised and perhaps advanced in many other ways. Some of these countries are countries which are the chief centres of manufacture of aircrafts and on whom we shall have to depend for getting most of our aircrafts for some time to come. If we take into account some of these considerations, we shall instantly see how very vitally different the functions of the two corporations are going to be. The fourth factor is no less important. The fourth factor is the prevailing rates of surface traffic. What are the considerations in respect of this fourth factor —prevailing rates of surface traffic. What is the situation? After all, in any position that you may take on this matter of fares and freights, you will have to always keep in mind the fares that are being charged for alternative routes of travel,—in this particular case, let us say, the Railway travel in the country. The Railway system in this country has already been nationalised and we are certainly not going to allow any of our domestic air transport services to undersell our Railway service to its travellers. Now, this is a consideration which does not enter into the calculations of the international service because there the alternative routes are the shipping services which are mostly provided by nationals of other countries. This is just one illustration to show how very vitally different on the functions which these two corporations will have to undertake. And that is just one reason why we favour the idea of two corporations.

The protagonists of one corporation, if they want to convince this House, will have to give us better reasons than they have so far been giving, *viz.*, that it will be more economical to have one corporation and that perhaps it will provide for exchangeability of personnel between the two services. Against this, there is this array of very weighty reasons in favour of two corporations.

Shri Sarangadhar Das (Dhenkanal—West Cuttack) *Rose*—

Mr. Deputy-Speaker: Is it necessary to pursue this matter? All right. A few minutes each.

Shri Sarangadhar Das: In supporting this amendment, I want to reply to my friend Mr. Gandhi who spoke just now. Let me take the case of Tata Sons Ltd. I know them very well. I have worked for them. They, as Managing Agents. manage dozens of limited companies in India in internal trade; at the same time, they have foreign trade also. The same Company, Tata Sons Limited, manages companies and corporations that operate in India for purposes of supplying goods and manufactured commodities to Indian people, and at the same time, they have foreign connections in London, in New York and all sorts of places. And there, the employees, the officers who work in India for years, if they are found suitable. are sent out as Agents to London and New York. So. Mr. Gandhi's saying that because the functions are different from each other for the internal service and the external service and so there must be two corporations, makes me laugh.

Shri S. V. L. Narasimham: It is said that the enactment of this measure will lead us to the first stage of nationalisation. If that were so, in this Bill there should be only measures which will lead to complete nationalisation. I wonder how the Government will be able to achieve that goal when making allowance for associates. So it is I have moved my amendment No. 75 which is for the purpose of deleting this associates in this enterprise of ours.

Shri K. K. Basu: We have accepted the principle of the Bill, and the Government is taking over these companies with two objects, *viz.*, to improve their efficiency and bring about economy in the management and running of the industry. Unfortunately in propounding their case for two corporations, they have not yet been able to convince the House to what extent it is justified, apart from, if I may say so, pouring encomiums on certain people and the work of J.R.D. Tata. I would only like to emphasize that it is not an individual, however great an industrialist he may be, that is responsible for the efficient running of the industry. The same Tata himself is also connected with the internal service. There is no point in saying that because of one individual, the industry will run efficiently. I would inform the hon. Minister that if he does not read foreign economic books, at least the national economic books will show the role of industrialist in the modern set up of productive forces.

On their own admission they say that there will be Rs. 6 lakhs of economy if both the corporations are united into one, and the alternative is put forward by him that there may be a likelihood of a recession in our earnings so far as international traffic is concerned. Unless the hon. Minister is in a position to concede that he feels that after taking over all these undertakings, there is a likelihood of the efficiency suffering, I do not understand why there should be a recession in the expectation of the traffic earning so far as external market is concerned. We feel, and we have got this suspicion, that there is a tendency on the part of Government to differentiate between the two types of our manpower who man the services, persons who are in the national service and persons who are working in the international service, and possibly they will try to bring about a division among our manpower. Fortunately, we have the finest type of men in these services, who will do their best when called upon to serve the nation. Therefore, Government has not made out a case that there should be two corporations.

I do not know what he means when he says that there would be some shock in the process of integration which might lead to disruption in these two services. I would only advise him that he should get this idea away from his mind.

Shri Raj Bahadur: The question has been discussed threadbare and I think it should now be put to vote.

Mr. Deputy-Speaker: Now, I will put all the amendments together to the vote of the House, Nos. 75, 110 and 111—all to mean that there should be one corporation.

Shri Nambiar: Amendment No. 78 also, Sir. I have got an amendment.

Mr. Deputy-Speaker: That is to clause 3. Let me finish clause 2 first. The question is:

(i) In clause 2 omit part (iii).

(ii) In clause 2,—

(1) In part (iii) omit "either of"; and

(2) in part (iii) and wherever it occurs in the Bill,—
for "corporations" substitute "corporation".

(iii) In clause (2) for part (iv) substitute:

'(iv) "Corporation" means "Indian Airlines" established under section 3.'

The motions were negatived.

Mr. Deputy-Speaker: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Mr. Deputy-Speaker: We have a half-an-hour discussion now.

DISCUSSION REGARDING RESTRICTIONS ON TRADE WITH CHINA.

Shri H. N. Mukerjee (Calcutta North-East): On the 14th of last month I asked certain questions regarding the tightening of restrictions of the trade of certain countries with China, and as the answers given on that occasion by the hon. the Prime Minister did not appear to deal adequately with all the implications of those questions, I asked your permission to have a short discussion on the points that I sought to raise on that occasion.

I referred on that occasion to certain goings-on in the British Parliament and the placing on the Table of the House of Commons of the British Control On Trade By Sea (China and North Korea) Order which was done on the 16th March, and I referred also to certain statements by the British Under Secretary for Commonwealth Relations that there were consultations taking place between Britain and certain other Commonwealth countries including India in regard to a similar measure to be adopted by this country. On that occasion the Prime Minister said that there were no consultations regarding this matter of the trade with China. He said that there might be some circulars somewhere, but he pointed out that there were no consultations as such. He was good enough further to say at the same time, that though he was totally unaware—I am quoting his words—of the various facts or statements that I had made, he was perfectly prepared to inquire into the matter.

I see that yesterday he said in the other place that a reference had actually been made by the United Kingdom Government, but the United Kingdom Government had not subsequently pressed this matter and from our side a formal reply on this point had already been despatched. Now I find that Mr. John Josh, the Under Secretary for Commonwealth Relations in the United Kingdom Government said that the consultations were conducted in accordance with the established Commonwealth practice and were confidential. So I do not expect the Prime Minister to tell me what exactly is the answer which has been formally despatched to the Government of the United Kingdom. But there are certain matters about which we have very serious misgivings and that is why the first point which I wanted to raise in today's discussion was the pattern, in the near future, of our trade with China. As far as we can gather there have been some very disquieting developments. The Prime Minister said yesterday in the other House that we had very little trade with China. He said: 'There has not been in the last many years much trade between India and China. We want to continue that and to add to that. But anyhow not much trade could be done. We have not been influenced by any other considerations'. That was what he said yesterday.

Now actually I find that the value of our trade with China has fallen quite substantially, and I have got some figures here. From April 1951 to March 1952 the quantity of our imports from China in tons was 98,421 and its value was Rs. 1,589 lakhs. From April 1952 to December 1952 the quantity in tons fell to 18,542 and in value it came down to Rs. 1,296 lakhs. The export figures tell an even worse tale. From April 1951 to March 1952, our exports to China were in quantity 20,982 tons: the value was 706 lakhs. From April 1952 to December 1952, the quantity fell to 13,930 tons and the value fell very remarkably from

706 lakhs to 64 lakhs. I have collected these figures from *Indian Shipping*. April 1953, which mentions as its source the Directorate of Commercial Statistics.

Now this being the position, I wish we get some kind of an assurance from Government that efforts would be made by whatever means are open to us to develop our trade with China. Lately, however, the trade with China has shown signs of recession rather than of development.

The second point I wanted to raise was the repercussion, as far as our trade with China is concerned in particular, of our link with Britain and the Commonwealth. Now we are particularly perturbed about this because the British Order—Control by Sea order—puts a ban on the shipment to China ports of specifically 83 types of goods: scientific, laboratory, surveying and electrical instruments, transformers and generators—I cannot read out the whole list—tractors, motor cars. excavating equipment, motor cycles, all metal working machinery and machine tools, welding machines and equipment, concrete mixing machines, conveyor belting cranes etc. Now this list is rather menacing because it appears to cover all items which the American Battle Act declares must not be the object of East-West trade. This is a matter on which we wish our Government to state its position categorically.

I know that the Prime Minister has said yesterday that we are not influenced by any other considerations than considerations of the interests of our country, but actually the position as far as the British Order is concerned does appear to us to be somewhat disturbing.

Then again on the 17th March, Mr. Eden made a statement in the House of Commons to the effect that Britain and the United States would try to get other maritime and trading nations to make the control of shipments to China effective. He also admitted for the first time in the House of Commons that the British Government was in favour of the Chiang-kai-Shek regime continuing to represent China permanently in the United Nations Security Council. These things hang together in a rather dangerous fashion.

I want also to refer to what has happened already as a result, I imagine, of the link with the Commonwealth of Ceylon. On the 24th of March, PTI reported from Colombo that Ceylon had to ban transhipment of rubber and other strategic materials through Colombo to China. It reported further that Government refused permission to private businessmen to import rubber from Malaya and from India and steel from Japan for export to Communist China. All these steps were taken in order not to antagonise other Governments who have banned rubber shipment to China, Ceylon, of course asserted and I think everybody will agree that Ceylon has held her ground—that rice, rubber and other commodities under the Ceylon Trade Agreement with China would be allowed to flow freely. The Ceylonese External Affairs Secretary said, "We do not think there could be any international thuggery over the free movement of international trade." I would like to know from our Government also that there would be no international thugery over the free movement of international trade. Exactly there we are disturbed about the dangers which appear to be latent in the situation today.

The third point which I wanted to raise was the possibility of a Trade Agreement with China. Now this is important because China and Pakistan have recently entered into a Trade Agreement enabling Chinese rice to be sent in return for Pakistani cotton. If that can be done by Pakistan, I hope and trust that something could be done on our side also for trade between our two countries which feel the silken bond of cordiality. There should be greater opportunities for the development of our trade.

We Ware also raher disturbed because of the growing increase of American influence in world affairs generally and also in regard to Asia. I saw in the *Amrita Bazar Patrika* dated 6th May, 1953, a statement by a person called John F. Gehan. Executive Vice-President of American Export lines. He said: "Oour assistance was a road block to communism and any assistance on a Governmental level will be extremely wise from a political point of view. If we are patient and understanding with what India wants to do. we will end on top. So far as help given to India and Pakistan, every assistance shall be wise that can be given." This sort of statement comes at a time. of course, when the American Government is very active in this country. I am not using my own words, Sir. The other day, the new American Ambassador to India made a speech at the time of his accreditation and said that he had the pleasure of directing the activities of the American Government in this country. An amazing statement to come from a diplomatic represen-

[Shri H. N. Mukerjee]

tative of a friendly power! There are, of course, other amazing statements, particularly in regard to China, in that accreditation speech but these are considerations which make me want our Government to make their position very clear.

The fourth point I wish to raise is the collapse of the Kalimpong market. On the last occasion I drew the attention of the Prime Minister to a report which appeared in the *Hindustan Times* of the 11th April, 1953. He said he had no knowledge of the facts stated here. What was reported was this—I do not vouch for the facts because I am not in a position to do so. It says:

> "Kalimpong traders are alarmed at the Government of India's sudden ban on the export of iron and steel to Tibet. It has also threatened the stoppage of free flow of other goods into the neighbouring countries of Tibet. Bhutan and Sikkim. The Kalimpong Chamber of Commerce, in a 500 word telegram yesterday to Mr. Nehru and other Union and State Ministers, expressed the hope that the traders would be allowed opportunities to submit their views if any deviation from the established trade practices was considered necessary."

The telegram added "The mercantile community is panic stricken and is apprehending the collapse of the Kalimpong market which has developed after a century of strenuous efforts. This panic has been further aggravated by the news that on the 15th mile check post on the Gagtoken Yatung road *en route* to Lhasa hundreds of loads of merchandise were detained by the Government of India officials without any previous intimation to the traders. Export to Tibet of photographic materials, petrol. electric goods and the like was banned some time ago."

Now this report appeared in the *Hindustan Times* of the 11th April, and I wish Government states what the real position actually is.

The last point I wanted to raise was the availability or otherwise of shipping for trade with China in view of the United Kingdom Control of Trade by Sea Order, which I have referred to. Now with regard to this point, I find that there is—as every body knows—a preponderance of the United States and United Kingdom as far as the shipping of our foreign trade is concerned. I find from *Indian Shipping* of April 1953 that in April to December 1952, the Indian share of shipping in our imports trade was only 4·91 per cent, the share of Great Britain was 50·84 per cent. and the share of the United States of America was 11·14 per cent. As regards exports, Indian share was 5·22 per cent., the British share was 49·24 per cent. and the American share was 9·70 per cent.

1 P.M.

As far as our trade with China is concerned, I do not see that any Indian ship was engaged in the trading operations. Yesterday of course there was some question raised in the other House regarding a statement made by some spokesman of an American committee called the MacCarthy Committee which it appears has got scent of one or two of our ships which are engaged in trade with China. I do not know whether any of our ships are engaged in the trade with China, but the position is that the British and the United States' stranglehold on our foreign trade is operating in a fashion which might make it impossible for us to develop our trade with China even though we may very badly wish to do so.

I see as an example of the British and the Anglo-American grip on other shipping countries, a report which comes from Athens, dated the 28 March.

> "The Cabinet today banned all ships under the Greek flag from sailing to Communist China and North Korea. This was announced by the Minister for Merchant Marine. The ship-owners could expect severe sanctions, including loss of nationality for Masters of ships, if they defy the ban.".

Since it appears that the British Government through its spokesman, Mr. Eden, has announced that they wanted to put pressure on all their friends and all those on whom they could exercise their influence to see that very severe and almost impossible restrictions were put upon their trade with China, I want to find out from the hon. the Prime Minister—if he chooses to speak today—and also the hon. Minister for Commerce and Industry what exactly is the position. I submit that the position to our mind gives rise to very serious misgivings which ought to be cleared up at the earliest possible moment.

Shri Joachim Alva (Kanara): Mr. Deputy-Speaker, we are indeed very grateful to the hon. the Prime Minister for his constant and noble enunciation of the great principles of our foreign policy, our friendship with all countries, especially our North-East neighbour China. We today are bound by ties of eternal and lasting friendship with China.

Mr. Deputy-Speaker: What is the hon. Member's question?

Shri Joachim Alva (Kanara): We do not want to repeat the historical blunder of the Chinese and Japanese conflict. However, on the economic front we have got to be very careful, because through the economic front political ties are snapped. We had perpetual trade relations with China, especially through the overland route of Kalimpong. We have no ships to send to China.

Mr. Deputy-Speaker: Order, order. Hon. Members who have given notice can only put one question. The hon. Member has started giving a speech. I will not allow him any more time.

Shri Joachim Alva: We have put no restrictions on Chinese trade. Nor have we got any impediments. But there may be impediments, unconscious, indirect and even unknown to the hon. the Prime Minister. What I want to know is whether through the Kalimpong trade route, or overland route any impediments are put on the Chinese trade. We have no figures of our trade with China even in books of statistics that we have got at our disposal.

Mr. Deputy-Speaker: Order, order, I will call upon another hon. Member.

Shri Joachim Alva: I am coming to the question. This is a very important point. We allow France to fly arms across our country to carry on its conflict in Indo-China. Once and for all we must explicitly and definitely state that we have no impediments in our trade with China. The hon. the Prime Minister has very generously stated in both Houses that there were some kinds of instructions from Britain which we have disregarded, which we have not fulfilled, from which we will fly away.

Shri Punnoose (Alleppey): In the context of our trade with China, may I enquire whether Government are aware that we will have a surplus stock of 10,000 tons of rubber for several years to come with our restricted industrial capacity. Is it not a fact that we are going to have at least 10,000 tons of rubber surplus for years to come? In that case has it come to the notice of Government that Ceylon has entered into a barter deal with China, which is much more attractive than the prices that we may get in the London market. If my premise is correct, may I know whether Government will be prepared to negotiate a deal with China to our advantage so that we might sell off our surplus rubber till the moment we are able to develop our own rubber industry?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): The points dealt with by the hon. Member Mr. Mukerjee are far too many to be adequately replied to here.

The first point is the pattern, in the near future, of our trade with China and the repercussions, so far as our trade with China is concerned, on account of our link with Britain and the Commonwealth. I felt the hon. the Prime Minister had, in his answers to two questions, one here and another in the other House, answered the point very clearly. Our policy in regard to our export and import trade is that it is multilateral and completely non-discriminatory; and we do not propose to discriminate against any country, no matter what other obligations are and what someone else does. That is the main basis of our trade policy.

The other question that he raised was something that he found in the papers about British policy. It is no doubt true that we are a member of the Commonwealth. But the Prime Minister has made it very clear that our membership of the Commonwealth does not mean that we follow the pattern of the British foreign or commercial policy, and in this matter the intentions of the Government of India are well known. China is a country which is a friendly country so far as we are concerned. We will not permit any discrimination against China in any manner whatsoever by anybody doing business from this country, no matter whether they are Indians or foreigners, doing business under our flag. I do not think it is worth while my dealing with that aspect of the problem further.

Then the question of the pattern of our trade with China. The hon. Member quoted some figures for previous years and he said that trade has shrunk. It is true that the trade has shrunk and I have also got figures. If I take the figures for 1948-49 of imports from China of three main commodities that go to make up the total, they are in value Rs. 10 lakhs of cotton manufactures, Rs. 12 lakhs of raw silk and cocoons, and Rs. 46 lakhs of silk manufactures; and the total was Rs. 121 lakhs. Silk goods which we manufacture we have practically banned. The ban is operating not merely against China but against Japan, Italy and any other country manufacturing silk. It is only recently

[Shri T. T. Krishnamachari]

that we have allowed a quota to come in. And cotton manufactures was under the O.G.L. till 1949 and was completely banned during 1949-50, 1950-51 and 1951-52. Now we are allowing a small quota to come in, because we have steeply raised the duties. Very possibly trade will flow. That is the main reason, I think, why in these three commodities trade has shrunk. And that formed the bulk of the Rs. 121 lakhs we got from China in 1948-49. Thereafter whatever trade we had was covered by Government-to-Government purchase. In January 1951 we had an exchange of 50,000 tons of Chinese rice for 16,500 tons of Indian jute. In April 1951, 50,000 tons of milo was purchased against cash. In May 1951, 16,500 tons of rice was purchased against cash and in the same month 4 lakh tons of milo was got against 14,000 tons of jute goods. In May 1952, 1 lakh tons of rice was purchased against cash. And in October 1952, 50,000 tons of rice was purchased against cash. This is the pattern of our trade, on the basis of Government-to-Government purchase.

There is another fact that my hon. friend would probably not know, and that is that the pattern of trade develops according to the economy of the respective countries which trade and amongst which the trade develops. Unfortunately the Chinese economy and ours are not complementary, they are parallel. And with parallel economies the prospects of exchange of goods becomes very limited. I can mention that our Embassy in Peking has been busy trying to foster trade relationship with the two countries. And in their telegram dated the 14th January 1952, they have given us an indication of what China would like to import from us, i.e., iron bars, steel belts, rails, piples wire ropes, beams, mild steel angles, galvanized plain and corrugated iron sheets, black and galvanized iron pipes, aluminium ingots, phenol, shellac, calcium super phosphate, indigo paste, pepper, coffee, lead pipes and lead sheets, lead, tin, antimony, alloy and cocoa. In the same telegram they said that China will be willing to export to India Tung oil, silk piecegoods, raw silk, cassia, bristles, menthol, peppermint oil, chestnuts, antimony, buffalo hide, soyabean, green soyabean, maize, rice, vegetables, medical substances, embroidery and matting. It did happen that the commodities that they wanted were in short supply. It may be some of them are strategic materials and you might draw a conclusion that we are not supplying strategic materials because somebody says "it should not go to China." In reality we are short of these materials ourselves and we do not export these strategic materials to anybody. Only a very small quantity of iron and steel is exported to Pakistan and just a little to Burma, our neighbouring countries. Therefore, the pattern of trade has not developed merely because of the two economies being parallel.

In this connection I would like to mention that I have had it from the authority of the Secretary of the Federation of Indian Chambers of Commerce and Industry that the Commercial Attachls' to the Chinese Embassy visited the Indian Chamber of Commerce yesterday and asked for details and it seems as though that some trade movement may go on and there is the possibility of getting in touch with the respective Chambers of Commerce. Any assistance which can be given by the Government in this regard will be given and the hon. Member can depend upon it.

Then the question comes about Kalimpong. The policy of the Government so far as Kalimpong trade is concerned, is quite clear. We do not want to check the trade in any manner. We had representations from the Indian Chambers of Commerce and the Governments of West Bengal and U.P. pointing out that a certain amount of discrimination was being practised against the Indian traders in Kalimpong in the matter of trade with Tibet. It has been alleged that this discrimination is directed to oust Indian traders from the Tibetan trade in favour of Tibetans. One of the instances pointed out relates to the trade in Tibetan wool. It would appear that consequent on the stoppage of purchase of Tibetan wool by the U.S.A., the Chinese Government who undertook to purchase it, did so only from Tibetan godown keepers in Kalimpong and not from the Indian godown keepers. On the points raised in the representations by the West Bengal and the U.P. Governments, all that we did was we asked our Political Agent in Sikkim to give us a report on the situation. This report is still awaited.

So far as complaints about the detention of iron and steel goods on the border are concerned, we have instituted enquiries. We are quite sure in our minds that there is no ban so far as Government is concerned. It may be that some local authority might have detained the goods for a few days. It is a matter for the local authority. Government is not committed to that policy. Naturally we will take a serious view of any such transgression of Government's policy.

So far as Kalimpong trade is concerned—I mentioned about the export of iron and steel to Pakistan and Burma—the External Affairs Ministry is keen that a certain amount of iron and steel should be permitted to be exported to Kalimpong and I remember having answered a question on the floor of the House that we are permitting iron and steel to go to Kalimpong through that channel. Last year, the Political Officer, Sikkim sought instructions to control export by the issue of licences and then it was decided that even this restriction was not worthwhile and trade must be left fairly free. Therefore I am rather surprised that the hon. Member should make a statement that there has been some deliberate policy framed against Tibetan trade as it passes through Kalimpong.

The hon. Member mentioned about ships. So far as we are concerned, the only shipping line that could operate in the Chinese waters is the Eastern Shipping Corporation. They are not yet in a position to start a regular service. They have placed orders for cargo ships and they are still on the look-out for second-hand cargo ships. At present they can only operate occasional services if sufficient cargo is forthcoming. We do hope it will be possible to take advantage of the fact that when other shipping lines are permitted to operate, this corporation might be able to build up the trade.

So far as control exercised by Government in foreign lines is concerned, that matter has already been dealt with and with regard to Indian ships even though they are registered under the U.K. Merchant Shipping Act, 1894, any restrictive regulations that might be imposed on ships which are registered under the U.K. Act will not apply to Indian ships.

I think I have satisfied my hon. friend. So far as the Chinese trade is concerned, there is no hindrance and we would like to see the development of the trade between the two countries but at the same time there are certain difficulties in the way. Subject to these difficulties which are more in the nature of the structure of the trade between these two countries, we are hopeful that better trade relations would come into being and we will have a larger quantum of trade with China.

Shri G. P. Sinha (Palamau cum Hazaribagh cum Ranchi): May I know, Sir......

Mr. Deputy-Speaker: No more questions. The House will now stand adjourned to meet again at 8-15 A.M. tomorrow.

The House then adjourned till a Quarter Past Eight of the Clock on Friday, the 8th May, 1953.